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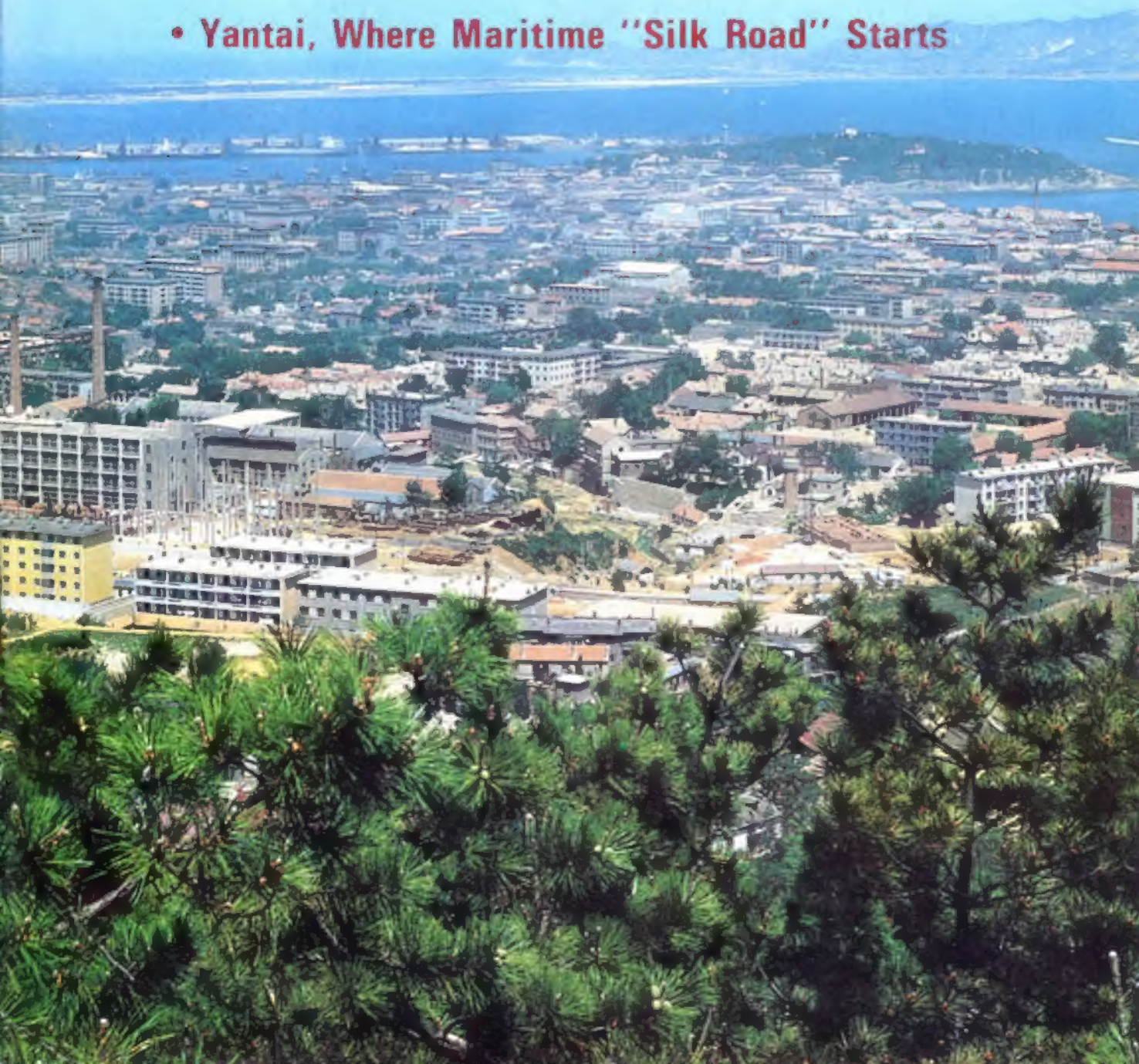
September 17, 1984

BEIJING REVIEW

北京周报

A CHINESE WEEKLY OF
NEWS AND VIEWS

- Fifty Years of Medicine in China
- Yantai, Where Maritime "Silk Road" Starts



Scenes of Yantai



Penglai city — an ancient naval base.



A fishing port.

SPOTLIGHT

The city's main department store.



Foreigners tour Little Penglai.

Having fun at the beach.



BEIJING REVIEW

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Yantai: Where the Maritime 'Silk Road' Starts

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COVER: Yantai — a coastal city in Shandong Province.

Photo by Sun Qita

HIGHLIGHTS OF THE WEEK

Li Xiannian Visits Yugoslavia

During his stay in Belgrade, President Li Xiannian said that there is no set pattern for building socialism and the people of every country have the inalienable right to build socialism in light of their country's actual conditions. Li visited Yugoslavia from August 29 to September 5 (p. 6).

China's Medical Care, Yesterday and Today

During the past half century, China has developed from its former self — a place of starvation and diseases — to what it is today, a country with a growing number of modern medical facilities and well-trained doctors. The life span of the people has been almost doubled. The change is recounted by Ma Haide, who came from the United States to China in 1933 and has since stayed on to witness the evolution of medicine as well as of the revolution (p. 16).

Coastal City Profiled

One of the 14 coastal cities recently opened to the outside world, Yantai, which sits on the tip of the Shandong Peninsula in east China, has strong development potential for expanding economic ties with other countries. Rich natural resources, historical sites and scenic spots, and preferential investment policies all add to its allure (p. 23).

Setting the Record Straight on Tibet

An authoritative account which clears up many misunderstandings and inaccuracies which have appeared in other books. *The Story of the Dalai Lama* establishes once and for all the subordinate role the local government of Tibet has always played to the Chinese central authorities (p. 32).

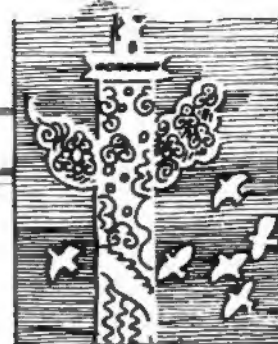
New US Textile Import Rules Protested

New US "country-of-origin" rules, designed to further limit textile imports, have aroused strong public opposition at home and abroad, for they harm international trade relations. Critics of the rules feel that the United States, by limiting trade, will unavoidably reap its own bitter fruit (p. 12).

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Younger Cadres on the Rise

by **AN ZHIGUO**
Political Editor

A nationwide effort to rejuvenate China's leading bodies at various levels was evidenced when the city of Beijing recently rearranged 61 per cent of its municipal leaders. With many veteran cadres stepping aside to make way for youth, the municipal body is now much younger and better educated.

The standing committee of the Beijing municipal Party committee now averages 52.6 years of age, 5.7 years younger than before, with the youngest member 39 years old. Of the 15 standing committee members, 13 have received a college education or have an equivalent education. The readjusted leading body of the municipal government now averages 53.4 years of age, 5.3 years younger than before. Of the eight top municipal officials, six have a college education or the equivalent.

Promotion of young cadres to leading positions is the primary task of the current reform. Beijing has proved that it is feasible to make the leading body younger as long as the old concept of asking the younger cadres to be perfect is cast away.

The Third Plenary Session of the 11th Party Central Committee held in late 1978 challenged the Chinese people to turn their economically and culturally backward country into a modern, strong socialist nation. The cadres, however, have not been up to the task. For the most part, they are

too old, and many of them lack cultural, scientific and technological knowledge. Few have professional training in advanced science and technology or knowledge of management.

The Party Central Committee has paid close attention to this problem. The 1982 Party Constitution urged efforts to make the "ranks of the cadres more revolutionary, younger in average age, better educated and more professionally competent."

The rejuvenation of China's leading bodies at various levels can be realized as long as the concept of asking the younger cadres to be perfect is cast away.

In 1983, the Party Central Committee made an analysis of the leading cadres after making further investigation and divided them into two groups: the first is composed of veterans who are not able to work full time but take part in making decisions on major issues, and the second is responsible for over-seeing everyday routine. Since cadres of the second group are not much younger than those of the first, the Party Central Committee decided to recruit what is now called "the third echelon" as a reserve.

A large group of middle-aged

and young cadres have been promoted to leading posts in recent years, thereby making the leading body younger and more professionally trained. A recent survey shows that Party and government leaders at the provincial level average 55 in age, 7 years younger than before, and 43 per cent of them have received a college-level education. Before the reshuffling, only 20 per cent had a college-level education. Leaders at the prefectural level now average 50 years old, 8 years younger. Leaders at the county level now average younger than 45 years old, and one-third of them have received college-level education.

The construction of the young cadre reserve got fully under way last year. The Party is seeking people in their thirties who are politically honest, professionally competent, enterprising, well educated and who have a strong sense of responsibility.

The "third echelon" is subject to change. Those in this group who prove to be competent will be promoted, while cadres who don't measure up will be dropped and replaced by new ones.

In order to train more good successors, the Organization Department of the Party Central Committee has drawn up a long-term plan. Each year, a group of promising college graduates will be recruited and tempered at the grass-roots level until they gain experience and competency before being promoted to leading posts at various levels.

LETTERS

Comments and Suggestions

Now both the cover photograph and the cover subject of your magazine are very good. The form of the cover, however, is not as important as the content. Those who like to see colour pictures may subscribe to pictorials. I think that the original simple cover of your magazine was adequate.

My favourite section is "From the Chinese Press." The "Culture and Science" column would improve with the addition of more details. General articles about internal and diplomatic affairs could include items usually found in "Events and Trends."

Your magazine is now much more interesting than before. The articles are easier to read and the topics much richer, but please add more background material and details.

When the magazine arrives, it is almost always creased or folded. The print quality has obviously declined. Some words are blurred and some issues are poorly bound.

Please try to leave wider margins—this is very important. Please don't place photos near the centre crease. Every year, when the magazines are bound into books, the margins are trimmed and valuable materials lost. The date on the cover should also be printed away from the edge.

Steffen Hadamovsky
Bierach Riss, FRG

Dear reader, please write to us the issue numbers of the magazines that have blurred words or damaged bindings. We will send replacement copies. We apologize to you here. —Ed.

The new style of the front and back cover has greatly improved the appearance of your magazine, and the magazine is now more protected and easier to keep. The inside cover photographs and the woodcuts and paintings on the "Art Page" are also eye-catching.

Generally speaking, your magazine is rich in content and easy to understand.

I don't like articles that are difficult to understand because of too many foreign words, such as the article "Comments on Sun Yefang's Economic Theory" (German edition, issue No. 2, 1984), especially the paragraph "On the Management of Fixed Assets."

I liked the article "Reunification: the Trend of the Times" (Nos. 5 & 6, 1984) very much, especially the speech made by Kuang Liuxing, who returned from Taiwan three years ago. Kuang talked about Taiwan's life from his own experience, thus refuting the claim of all reactionaries that Taiwan's capitalist economy is superior to the socialist economy on the mainland. These speeches all stressed the necessity of the reunification of Taiwan and the People's Republic on the mainland.

I welcome the reports on China's environmental protection recently carried in the columns "From the Chinese Press" and "Notes From the Editors" and some other articles.

Heinz Gunter Foerster
Bielefeld, FRG

Rich Content But Flat Style

The colour cover is attractive but not always imaginative, fail-

ing to arouse readers' interest in the content.

The contents is serious and informative, but its presentation is often unimaginative, too. The writing style is rather bland, unexciting and thus easily forgotten.

Your writers are correct in their grammar and style, but the prose needs more vigour and more colour.

These criticism aside, I compliment you on the thoroughness and depth of many articles.

Howard S. Collins
Tianjin, China

A Ruler to Measure

Your report on the world situation whetted my appetite and lent me a ruler with which to measure our own newspapers.

I'm glad to see that China has become increasingly open to the outside world. I'm not a communist, but I sincerely appreciate your pragmatic principles in reporting.

I enjoy all articles that inform readers of your social and economic developments.

Heinz Blechen
Frankfurt, FRG

Know Chinese People

The "Letters" column gives us an idea of how widely your magazine is read.

I like articles on the following subjects: population control, food production and dam building. I especially like the last few pages of book reviews and art work. I appreciate the occasional cartoon page which helps me understand your people better.

Corelia M. Roberts
Illinois, US

Li Terms Yugoslav Visit 'Complete Success'

President Li Xiannian said his recent visit to Yugoslavia was a "complete success."

Li was in Yugoslavia August 29-September 5 after his visit to Romania, at the invitation of the Presidency of the Socialist Federal Republic of Yugoslavia. This was the first visit to Yugoslavia by a Chinese President since the two countries established diplomatic relations in January 1955.

In the seven days, Li visited the island of Brioni, where Tito had lived and worked, and Zagreb, capital of the Republic of Croatia and the second largest city of Yugoslavia. Then he arrived in Belgrade to begin his state visit.

Li witnessed the great achievements made by Yugoslav people in building a prosperous socialist country.

Speaking at a welcoming banquet hosted by Yugoslav President Veselin Djuranovic, Li said Yugoslavia, bold in exploring and making innovations, has provided new experience for socialist construction by instituting socialist autonomy.

There is no set pattern for building socialism, Li said. The people of every country have the inalienable right to build socialism in light of their own country's actual conditions, he added.

Yugoslavia's unswerving struggle to defend this right and principle was once misunderstood. But, Li said, the Yugoslav Party, led by Tito, withstood external pressure and safeguarded its own independence and sovereignty.

During his state visit, Li held talks with Djuranovic and Ali Sukrija, President of the Presidium

of the Central Committee of League of Communists of Yugoslavia (LCY). Both sides shared identical views on many international issues and agreed that the sound foundation for Sino-Yugoslav relations and close co-ordination in world affairs is built on the principles of independence, full equality, mutual respect and non-interference in each other's affairs.

In recent years, exchanges between the two sides in various areas have grown. In 1983 alone, the two countries participated in 81 projects covering many fields. Their trade volume this year will probably double that of last year.

Remarkable development has also occurred in industrial and agricultural co-operation. In 1983, 23 industrial projects between the two countries were arranged. And five co-operative agreements on agriculture have been signed recently between Chinese depart-

ments and the Belgrade Associated Businesses for Farmers and Workers.

On behalf of General Secretary Hu Yaobang, Li invited Sukrija to visit China at a convenient time. Sukrija accepted the invitation with pleasure.

On September 4, Li was named an honorary citizen of Belgrade and presented a certificate of citizenship by the Belgrade City Assembly for his contribution to the all-round development of friendship between China and Yugoslavia.

Sino-Yugoslav relations, which were chilly for a while, have started to warm since 1977, when President Tito visited Beijing. The relations entered a new stage with the visit to Yugoslavia by General Secretary Hu Yaobang and the visit to China by Dragoslav Markovic, former president of the

President Li Xiannian, accompanied by President Veselin Djuranovic, reviews an honour guard during the warm send-off given in Belgrade.



Presidium of the LCY Central Committee, in the past year. Li's recent visit to Yugoslavia was hailed by people of the two countries as another milestone in the developing bilateral relations.

Sino-Japanese Ties Growing Stronger

Chinese Vice-Premier Li Peng and Japanese Prime Minister Yasuhiro Nakasone agreed that relations between China and Japan are developing smoothly, but there is still room for improvement.

"Good political conditions have formed the basis for trade relations and improved trade relations have embellished the friendship between the two countries," Li said during his visit to Tokyo.

Li arrived in Japan on August 30 for a 12-day friendly visit at the invitation of the Japanese Foreign Ministry and Japan Association for the Promotion of International Trade. During his visit he held talks with Foreign Minister Shintaro Abe and other government leaders. He also met many leading figures from Japanese economic circles. In addition, Li took part in the 30th anniversary celebrations of the founding of the association.

To improve friendship between Japan and China in spite of different social systems, the Chinese and Japanese Governments have worked out the four principles of peace and friendship, equality, mutual benefit, mutual trust and long-term stability. In addition, the 21st Century Committee for Sino-Japanese Friendship and the council of Sino-Japanese non-governmental figures were established last year. In 1983, Party General Secretary Hu Yaobang visited Japan and in

March of this year Prime Minister Nakasone visited China.

Trade volume between China and Japan in 1983 was reported at more than US\$10,000 million. Half of Japan's import total was from Chinese energy resources such as crude oil and coal. Meanwhile, steel made up about half of China's imports from Japan.

Referring to Sino-Japanese trade relations, Li told Nakasone that China would like to respond positively towards the hope expressed by many Japanese business leaders that China would purchase advanced energy and transportation equipment and port facilities from Japan. But, he added, some conditions should be created which should include Japan's import of

available Chinese products that are in Japan's need.

Li mentioned the growth in China's oil production and agriculture during the past two years. "Grain and cotton output have set an all-time high and surpassed the targets set in the state's Sixth Five-Year Plan," Li said, adding that this situation bodes well for the promotion of the bilateral trade.

Nakasone expressed the determination that Japan will continue co-operating with China in the fields of energy, port and railway construction. "But I hope China will not hesitate to point out Japan's undue haste or shortsightedness in carrying out co-operation programmes if there is any," the Japanese Prime Minister said.

Ready to Welcome Japanese Youth

Chinese youths are looking forward to the arrival of a 3,000-member Japanese youth delegation. The delegation will visit China from September 24 to October 8 at the invitation of Hu Yaobang, General Secretary of the CPC Central Committee.

The gathering will promote mutual understanding and friendship between the Chinese and Japanese participants and strengthen the long-term stability of good neighbourly relations between the two countries.

China and Japan are friendly countries separated only by a strip of sea water. Although Sino-Japanese relations experienced troubled times, the two countries achieved normalized diplomatic relations through the joint efforts of the two governments and peoples.

In 1978 the two governments signed "The Treaty of Peace and

Friendship Between China and Japan." Later on they confirmed the four well-known principles guiding Sino-Japanese relations.

In the delegation, 300 Japanese organizations are represented by members from the government, political parties, commerce and trade, religion, culture, sports, trade unions, agriculture, women's groups, and colleges.

The Japanese youths, divided into four groups travelling different routes, will tour Xian, Nanjing, Hangzhou, Shanghai, Wuhan and Beijing. The host cities will offer activities such as parties on the lake, camp-fire programmes, sightseeing, short tours by boat on the Changjiang River, lectures and discussions.

Meetings between workers in the same fields and cultural and athletic exchanges will also be arranged.

The delegation will interact with Chinese youths as the young Japanese visit factories, the countryside, schools, workers' dormitories and peasant families.

The All-China Youth Federation, the All-China Students' Federation and the China-Japan Friendship Association will host these activities with support from various government departments and social organizations. Accommodations and transportation have been arranged for the visitors.

Chinese youths are enthusiastic about the Japanese visit. Young people from all over China wrote letters to the receiving committee.

Some asked to be interpreters, some volunteered to paint for Japanese youths, some offered outstanding artistic performances, and others invited visitors into their homes. Some middle and primary school children wrote to the committee asking to host parties for Japanese youths in their own schools.

The committee received many illustrated posters painted in various localities. One entitled "The Great Wall-Fuji" was selected as the best poster.

Other young people designed badges and composed songs for the occasion. Many factories produced souvenirs for the gathering.

A set of three commemorative stamps will be issued for the occasion.

A selection of songs, familiar among Chinese and Japanese youths, will be published soon. "Songs of Friendship of Chinese and Japanese Youths," written by the famous general and poet Xiao Hua, serves as the theme song.

The lyrics express the spirit of the gathering: "The cherries in full blossom symbolize our youth. The stream of the Yellow River depicts our friendship. We love peace, and we love life. For a bright

future. Chinese and Japanese youths are going to be good friends through generations. China and Japan will be good neighbours for generations to come."

Younger Managers For Enterprises

Outstanding intellectuals as young as 40 years old should be promoted to top management in China's factories, said Qiao Shi, head of the Organization Department of the Central Committee of the Chinese Communist Party. He spoke at a national meeting on upgrading management in enterprises.

Qiao said young intellectuals, who were college graduates in the early 1960s, are better educated and more enthusiastic than many managers now in place. They have extensive working experience and many of them are the backbone of their enterprises, he said.

Qiao stressed that by the end of this year most of the directors

and Party committee secretaries in the country's more than 3,000 major state-owned enterprises should have a college-level education. Two-thirds of the deputy leaders should also have a college-level education. Qiao said that the leaders should be younger than 55 during their tenure of office. According to the above requirements, 40 per cent of the directors and 70 per cent of Party committee secretaries should be replaced.

Beginning next year, Qiao added, a fixed tenure for factory directors will be instituted in these 3,000 state-owned enterprises. Their term of office will be four years. But directors will be able to continue in their posts longer if endorsed by the workers' congress of their factory. Directors may also submit their resignation when proved to be incompetent, or they may be removed from office. The new measure will be phased in for other factories.

Attention must be paid to train the young leaders, said Qiao. They should be given more opportunities to study modern management in preparation for their position, he said.

Chen Xia (left), a 23-year-old cadre from Henan Province, is appointed deputy head of the commercial bureau of Xinyang City.



Road to Develop Steel Industry

Existing iron and steel plants must be modernized with advanced technology to accelerate the development of the industry. This is the road to achieve greater, faster, better and more economical results in improving China's iron and steel production. As long as we put efforts into upgrading enterprises and importing ore, China can annually produce 80 million tons of steel by the end of this century. Premier Zhao stated at the Anshan Iron and Steel Complex, China's largest, in Liaoning Province.

The world's iron and steel in-

dustry faces a new technological revolution, Premier Zhao announced, and China must revamp its traditional industry with advanced world technology.

With limited capital available, China must upgrade existing enterprises, increase product variety, improve quality and cut consumption of energy and raw materials. In this way, more economic results will be gained with less capital investment.

Of course, Zhao continued, it is still necessary to build new plants and to expand existing plants. Constructing new enterprises does not mean abandoning old operations.

In the past 35 years, the state

has invested 70,000 million yuan in the metallurgical industry, one of the key areas in China's economic structure.

More than 10 iron and steel complexes in Anshan, Wuhan, Beijing, Baotou, Panzhihua and other locations have been built or expanded. Construction of a modern iron and steel company is under way in Baoshan, Shanghai.

Zhao said the reason for an annual production increase from 30 million tons to 40 million tons of steel within a few years is due to the upgrading of the existing enterprises. China's output only stands behind that of the Soviet Union, Japan and the United States.

Premier Zhao urged that plants which are near mining areas use their own ore. Imported ore or steel ingots could supply coastal factories located far from mining operations.

Zhao advised against the development of a whole chain of enterprises from ore and coal mining, iron and steel production to steel rolling, as this would require huge investments.

More Commodities And Fewer Coupons

City homemakers have found that their painstakingly preserved coupons for purchasing cotton cloth, cigarettes, meat, soap, industrial products and other goods are now becoming useless. Thanks to the ever-increasing production of commodities, many items are no longer rationed with coupons.

Rationing was an expedient when commodities were scarce. Cotton cloth was first to be rationed in 1953, and other commodities quickly followed. This was especially true when China's economy suffered setbacks from 1959 to 1961, and again during the domes-

Workers of the Anshan Iron and Steel Complex building a workshop which will save energy consumption.



tic turmoil from 1966 to 1976. Goods became scarce, while coupons of all kinds multiplied.

"Left" ideology, which once dominated the policy-makers, was responsible for the shortages. Undue emphasis on heavy industry left the economy unbalanced, as agriculture and light industry were neglected. In the past five years, as the economy diversified and China opened to the world, developments in agriculture yielded a succession of record harvests. These, in turn, boosted light industry, which has progressed by leaps and bounds.

Shelves in stores where customers used to rush to purchase whatever was available are now overflowing with a wide range of goods. Buyers, urban and rural alike, take their time to pick and choose. As a result, the days of needing coupons along with money are numbered. Many types of coupons are already obsolete.

While some people tossed their useless coupons into trash bins, others kept theirs as carefully as some people save stamps. One retired worker in Luzhou, Sichuan Province, uses his meat, cigarette and soap coupons from the ten tumultuous years of 1966-76 to explain to his grandson why and how these coupons changed from valuable certificates to waste paper.

Now only a few commodities are still rationed. They fall into two categories: those which the state purchases at high prices but sells at low prices, such as cereals and edible oil, in which case coupons help prevent profiteers from buying at low prices and selling at high prices such goods. Some luxury items are also rationed because supply still falls short of demand.

A leader of the State Council declared that the state would produce whatever is scarce and what the people need, until all coupons finally become obsolete.

Tourism Official Urges Competition

Competition and foreign investment in the tourism industry should replace the past state monopoly, said Han Kehua, head of the State General Administration for Travel and Tourism, at a national tourism conference which ended September 4.

China's tourism had developed rapidly in recent years. In 1983, China received 2 million foreign tourists, twice the total in 1978. And the number of compatriots from Hongkong, Macao and Taiwan who came to the mainland to visit relatives reached 7 million, six times the number of 1978.

However, compared with countries where tourist service is developed, China still lags behind. With China's rich tourist resources and its status in the world, tourism could grow much bigger with competition.

Measures to break the state tourism monopoly were announced at the 11-day conference. The government encourages localities, departments, collectives and individuals to boost tourism. They are allowed to open tourist hotels, restaurants, and handicraft and souvenir shops.

Foreign Patents Get Priority

Foreign applicants for patent rights in China will be given priority beginning October 1, half a year before China's Patent Law becomes effective on April 1, 1985, provided that he or she applies for a patent for the first time in a foreign country for the same invention or utility model.

This decision, approved by the State Council, will encourage

Coins Commemorate Historical Figures

A set of gold and silver coins commemorating outstanding historical figures in China will be issued by the People's Bank of China throughout the world over the next five years.

The first issue, consisting of four silver coins and one gold, will be made on September 16.

All the newly issued silver coins depict the terra-cotta warriors of the Qin Dynasty (221-206 B.C.): a general, a kneeling archer, a military officer and a cavalryman. Each silver coin has a face value of five yuan.

On the gold coin is Qin Shi Huang, the Qin Dynasty emperor who first unified China. It has a face value of 100 yuan.

Other figures depicted on the forthcoming coins are more than 100 statesmen, strategists, scientists, men of letters and thinkers, from Confucius to Mao Zedong.

The commemorative coins will be sold by Numinvest Holding Corporation.

more foreigners to apply for patent rights in China.

The Patent Office of the People's Republic of China stated that the enactment of the Patent Law will protect inventions and creations at home and benefit the introduction of advanced foreign technology.

Chinese Moslems Leave for Mecca

Some 1,000 Moslems from China will travel to Mecca in several groups this fall in what will constitute the largest pilgrim-

age since the founding of New China in 1949

Organized by the Chinese Islamic Association, the pilgrims will travel at their own expense.

Prior to the large pilgrimage, a delegation headed by Ilyas Shen Xian, vice-president of the Chinese Islamic Association, went to Mecca in late August. The 48 members of the August pilgrimage included leading members of the Islamic associations, imams, mullahs, Islamic scholars, professors, writers, poets and technicians from the Hui, Uyghur, Kazakh and Khalkhas nationalities. Some delegation members are delegates to the National People's Congress and members of the National Committee of the Chinese People's Political Consultative Conference

Ten of the pilgrims visited Kuwait after the pilgrimage at the invitation of the Kuwaiti Ministry of Islamic Affairs.

China continues its policy of guaranteeing religious freedom and supports Islamic pilgrimage activities. The Chinese Islamic pilgrims look forward to fulfilling their holy mission in Mecca and meeting other Moslems from around the world

Cities Renovate Historical Sites

Three historical sites in Beijing and Xian are being renovated and converted into public parks. Beijing, the capital of four feudal dynasties, and Xian, the capital of the Tang Dynasty (618-907), are the home of numerous ancient structures that have come under government protection since liberation.

A former imperial palace on the southern outskirts of Beijing, built in 1777 during the reign of Emperor Qianlong and currently under renovation, is scheduled to

open in October. The rockeries, pavilions, terraces and towers will be repaired, a hunting field opened, and an ornamental forest and a street will be reconstructed in the styles of the Ming (1368-1644) and Qing (1644-1911) Dynasties

In the western suburb of the city, work has begun on reconstructing the Yuan Ming Yuan Palace, which was razed and burnt in 1860 by a joint Anglo-French army. Built in 1709, it had been renowned throughout the world for its exquisite architecture and rich stock of antiques. Today only a few damaged columns and rubble remain

In 1982, the department responsible for overall planning for city construction decided that Yuan Ming Yuan should be rebuilt. Donations towards the project have already been raised

In Xian, the old city walls, the largest and most comprehensive extant in the world, have been turned into a 14-square-km park. The 600-year-old walls were built in the early Ming Dynasty according to the layout of the Tang imperial city. Renovation work began in April 1983 and the southern half of the park opened on July 9.

Relics Damaged By Road Builders

Relics specialists and Chinese art lovers were shocked to learn that 182 ancient tombs in Shanxi Province were damaged last winter by careless highway construction.

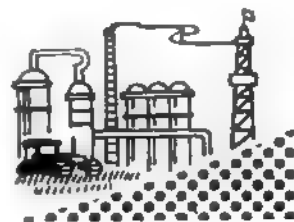
The damage occurred in Yuci, where a cluster of more than 600 tombs hold relics ranging from the Warring States Period (475-221 BC) to the Qing Dynasty (1644-1911). As many as eight excavators lumbered around the tomb area beginning last December and in the process pried open many tombs and crushed burial artifacts.

In the furrows churned up by the construction equipment, specialists found remnants of a Warring States Period bronze sword, bronze belt hook and seals. Qin Dynasty relics salvaged included bronze coins, agates, stone tablets and bone carvings from other times.

Some Yuci city leaders are to blame for the incident. Though they knew the highway path would cut through the tomb area in violation of the Cultural Relics Law, they still gave the go-ahead for construction.

The incident horrified the local residents, who appealed for punishment. To date, a deputy mayor of Yuci city, who was in charge of the highway operation, was ordered to stop working to make self-criticism and wait for final verdict

In another sad development, a Hongkong-based film studio committed vandalism while shooting at Wutai Mountain in Shanxi in June. A crew sawed the tenon off a 12-section partition board in a temple for the convenience of filming. They even made rubbings from the woodcut drawings on the sections, six of which were drawn by the Qing Dynasty master Zheng Banqiao (1693-1765). Water and ink from making the rubbings caused four drawings to crack. After the incident, the studio was ordered to stop filming by the Shanxi Cultural Relics Bureau.



The United States

New Textile Rules Spark Protest

by REN YAN

NEW rules on textile imports, announced by the United States Customs Service on August 1, have aroused strong public opposition at home and abroad.

The US Customs Service complained that some countries were avoiding their quotas by shipping unfinished goods to countries that were not using all of their quotas. The fact is that in current practice, garment manufacture often takes place in more than one country, with material being made in one place, sewn in another and possibly finished in yet another. By strictly determining "the country of origin," the new rules are a means to further limit the imports of textiles.

The rules go to such an extent that the United States would not hesitate to adversely affect its trade agreement with other governments. Such a selfish act infringes upon international trade practices and undermines normal international trade.

China has, through its ambassador in Washington, lodged a protest with the United States, pointing out that the new regulations go against the spirit of Sino-US trade agreements and the Multi-Fibre Agreement, and will seriously harm Sino-US trade.

A spokesman for the Chinese Foreign Ministry said on Sept. 10 that the new rules are "bound to harm China's export trade and her people's economic interests and create additional obstacles and dif-

ficulties to Sino-US bilateral trade relations."

"The Chinese Government is most unhappy about this and strongly urges the US Government to withdraw these new rules so as to protect the normal trade relationship between the two countries from being unnecessarily damaged," he added.

Meanwhile, *Renmin Ribao* (People's Daily) said, "there is no reason to believe that only the United States can unilaterally impose restrictions at the expense of others in violation of international agreements while the latter could not take appropriate counter measures."

At a two-day emergency meeting of the Textile Committee of the General Agreement on Tariffs and Trade (GATT), which ended on Sept. 5, representatives from many third world countries, as well as those from Western Europe, Japan and Canada, condemned the new US textile rules as "in effect frustrating legitimate trade and causing a further deterioration in the international trading environment."

Malaysia also criticized the new rules as shortsighted, insensitive and "a dangerous precedent for other rich countries."

Trade and Industry Minister Tengku Razaleigh Hamzah said that changes in the US rules of origin could lead to a new wave of protectionism.

In the United States, many congressmen, retailers, importers and farmers have also opposed the new

rules. In a joint letter to President Ronald Reagan, 16 senators complained that the rules will bring big troubles for US retailers, importers and consumers, and further harm the export of agricultural and forest goods to the Far East.

Chairman of the House of Representatives Budget Committee James Jones, Chairman of the Ways and Means Committee Trade Sub-Committee Sam Gibbons, ranking Republican member of the Ways and Means Committee Barber Conable and 16 other representatives also submitted a joint letter to Reagan asking him to withdraw the regulations or at least postpone implementation of them until 1985. By waiting, they said, retailers, farmers, congressmen and the Reagan administration will have enough time to examine significant effects of the regulations and modify them.

A newly formed retail industry trade action coalition said hundreds of millions of dollars worth of textile products already on order for the Christmas season may be held up by the rules, thus posing major problems for businessmen.

The American Association of Exporters and Importers called the rules "a catastrophe for the retail industry and American consumers." Importers with contracts in place are facing financial losses and possible bankruptcies, the association said.

Organizations of wheat, corn and bean planters and other agricultural groups have also opposed the new rules because they fear that the rules will reduce the export of US farm produce.

The US retail industry trade coalition and other organizations representing retailers and traders

have filed a law suit in the US Court of International Trade in New York seeking to block the new rules.

On the issue of international trade, the US Government always professes support for freedom of trade and opposition to protectionism. But in practice, it has repeatedly adopted severe, discriminatory and protectionist measures in foreign trade, particularly in textiles.

While demanding that other countries open their markets to US goods, the US Government has

erected many barriers to prevent goods of other countries from entering the United States.

International trade will grow steadily only when the principle of equality and mutual benefit is observed. To impose one's will upon others can only harm trade relations between countries, and, in the end, the United States will unavoidably reap its own bitter fruit.

So the fear of the American public that the regulations will create enormous economic difficulties for some US trades is not without justification.

Geneva

Deadlock Ends Disarmament Session

by ZHOU XISHENG

THE 1984 summer session of the Geneva Disarmament Conference (GDC), attended by 40 nations, ended on August 31 without making any substantial progress. Once again, the peace-loving people of the world have been let down.

The two-and-a-half-month meeting discussed eight major issues, including stopping the arms race, preventing a nuclear war, prohibiting all chemical weapons and keeping the arms race out of space. Most of the topics were also discussed at the spring session of the GDC, but with no result.

Although there were no concrete achievements, representatives from many countries did have a chance to air their views on these issues. China and the group of 21, composed of neutral and non-aligned countries, put forward a number of practical proposals. However, each one was rejected either by the United States or by the Soviet Union.

Mongolia, Cuba and six other countries asked the conference to set up a group which would negotiate an agreement to prevent an arms race in outer space. But the proposal was ignored by the United States and other Western countries.

The two superpowers, with the largest arsenals in the world, demonstrated that they are, in fact, eager to continue their arms race and are not sincere about disarmament. They merely exchanged accusations, and finally brought the conference to a deadlock. For the sake of appearance, the two did make some proposals, but they were merely plans to contain their rival while establishing their own superiority.

Qian Qidong, head of the Chinese delegation, again explained China's position on disarmament. He emphasized the importance of avoiding nuclear war, and said the potential sources of nuclear war must first of all be identified in order to take practical and effective preventive measures. Facts have proved that the threat of nuclear

war comes from the two superpowers' constant global rivalry and accelerated arms race. In the long run, war can only be avoided by the complete prohibition and thorough destruction of all nuclear weapons. But more immediately, the United States and the Soviet Union must stop deploying more sophisticated nuclear arms and earnestly resume their negotiations, so that they can agree to eliminate a large number of these weapons.

A heated debate arose over a proposed chemical arms ban. Because chemical arms cost very little, are easy to produce and are devastatingly powerful, the two superpowers are racing to develop them. Not only have they stored tens of thousands of tons of deadly chemicals, but there have been reports that the Soviet Union is actually using them against Afghan guerrillas. An agreement to completely prohibit and thoroughly destroy all chemical weapons is therefore imperative. As the issue has been discussed for many years and it was fully aired at the spring session of the GDC, many people believed an agreement might be reached at this meeting. But this turned out to be only a pious wish.

During the discussion on chemical weapons, the US representative repropounded the plan originally offered by Vice-President George Bush at the spring session last April. Under the draft treaty, signatories must allow international inspection teams to be stationed on short notice at all military or government-owned and government-controlled sites and installations dealing with chemical weapons.

The Soviet delegate immediately rejected the US proposal, calling it "impractical and obviously unacceptable" and charging that it is aimed solely at the Soviet Union and its allies. The Soviets contended that all factories producing

chemical weapons in the Soviet Union are government-owned, and thus are subject to inspection under the US plan. But factories in the United States are generally privately owned, and may turn down international inspection.

The US representative defended his proposal, saying there is no guarantee that any country has really destroyed its chemical weapons unless there are adequate inspection measures. The two superpowers attacked each other and refused to make concessions, bringing the session to a deadlock.

Representatives from neutral and non-aligned countries expressed disappointment and dissatisfaction over the behaviour of the

Soviet Union and the United States at the conference and the failure to make any progress on the major issues.

The Pakistan representative, Mansour Ahmad, said it is regrettable that when the majority of the delegations hoped and were ready to strive for arms reduction to achieve common security, the two countries which have the most powerful and destructive conventional and nuclear arms stuck to their old habits.

Speaking for the Group of 21, the Yugoslavian representative, Kazimir Vidas, said he was sorry the session became deadlocked. He said there was no progress because some nuclear powers lacked the "political desire."

surrounding the establishment of the nuclear-free zone. The working group will draft a nuclear-free zone treaty and report its findings back to the next forum meeting in 1985. The forum unanimously agreed to the principles of the working paper.

A primary purpose of the South Pacific nuclear-free zone is to prohibit foreign countries from testing weapons in the region. Members of the forum restated their strong opposition to France's nuclear testing in the South Pacific.

For years France has conducted nuclear tests on Mururoa Atoll in the South Pacific. Since 1966, it has tested more than 100 weapons. This has aroused great concern from the countries in this region. The forum supported a suggestion that "governments continue to protest individually, as well as collectively, to France over its persistent nuclear testing and to Japan over proposals to dump nuclear waste in the Pacific."

While the nuclear-free declaration won unanimous support, an alternative proposal from New Zealand Prime Minister David Lange was rejected.

Since taking office last July, Lange repeatedly stated New Zealand's anti-nuclear policy and support for a nuclear-free zone in the South Pacific. New Zealand has not only forbidden the deployment, storage and use of nuclear weapons, but it has also barred visits by nuclear-armed or nuclear-powered vessels, including US ships. Lange has vowed that from now until the 1987 general election the New Zealand people will not see such vessels in their ports.

At the forum meeting Lange proposed that the United Nations declare the South Pacific as a nuclear-free zone and suggested that all forum members bar nuclear-

South Pacific

Nuclear-Free Zone Established

by WANG ZHENHUA

LEADERS from 14 South Pacific nations voted unanimously last month to establish a nuclear-free zone in their region.

The vote came during the two-day (August 27-28) annual meeting of the South Pacific Forum in Funafuti, capital of island state of Tuvalu.

The South Pacific Forum is a loose consultative body set up in 1971 in accordance with a proposal from New Zealand. In April 1973 it established a permanent organization, the Bureau of Economic Co-operation, in Suva, capital of Fiji. Present at the 15th annual meeting of the forum were leaders from Australia, New Zealand, the Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New

Guinea, the Solomon Islands, Tonga, Tuvalu, Vanuatu, Western Samoa and the Federated States of Micronesia (as an observer).

The nuclear-free zone has long been a popular idea among the people of the South Pacific. When Australian Prime Minister Bob Hawke put forward the proposal for the zone on August 27, all participants warmly welcomed the plan. A communique issued at the end of the meeting said, "There should be no use, testing or stationing of nuclear explosive devices in the South Pacific" and no countries in the region are to "develop or manufacture, or receive from others, or acquire or test any nuclear explosive device."

The communique also called for formation of a working group, with Australia as chair, to study issues

armed warships from calling at their ports. Lange's proposal sparked differences among some countries present at the meeting. After discussion and consultation, the forum finally agreed that this issue should be resolved by each

country according to its own conditions and policy.

The important result of the meeting will surely promote peace, stability, economic development and the national movement for independence in this region.

Italy

Craxi Cabinet Marks First Year

by YUAN JINLIN

IN the year since Bettino Craxi became Italy's first postwar Socialist prime minister, his five-party coalition has won praise and received co-operation from the Italian Senate and House of Representatives.

Italy, in the 40 years since World War II, has seen frequent upheaval in government. Cabinets have come and gone like the seasons, surviving an average of only 10 months. And since 1977, none until Craxi's coalition had even lasted a year. But the present government has, indeed, lasted and is showing signs of strength.

Since Craxi took office in August of 1983, his government has faced a series of thorny issues. The dispute over deployment of nuclear missiles was a potentially divisive one. The Christian Democratic Party and the Social-Democratic Party argued that Italy should deploy US cruise missiles on schedule, but the Communist Party and some Socialists dissented.

Standing in the middle of the battle, Craxi walked a fine line, pursuing a policy of "flexibility and principle." While his government cited past commitments to NATO as reasons for approving the deployment of some missiles on Sicily, Craxi sought negotia-

tions with the Soviet Union to reduce the level of nuclear arms on both sides. Craxi also went to Washington to spell out his position, aiming to dispel US suspicions.

After the first batch of missiles were deployed in Italy, Craxi went to visit the German Democratic Republic and Hungary and dispatched Foreign Minister Giulio Andreotti to visit the Soviet Union to discuss possible resumption of US-Soviet nuclear arms talks.

Last May Craxi proposed a freeze of the deployment of nuclear missiles by Washington and Moscow and suggested US-Soviet talks on an arms reduction agreement.

The Craxi government's support of US-Soviet arms talks consoled the European peace movement. At the same time the Italian coalition was able to keep its NATO allies happy by deploying the cruise missiles as scheduled.

In his first year, Craxi has also faced economic woes. When he took office last year, Italy's economic situation was getting worse—production was stagnant, investment was weak, there was a huge deficit and high unemployment, and the rate of inflation was double that of other Western industrial countries.

Craxi's government made economic development an immediate

goal, and it adopted various measures to cut public spending and lower the inflation rate. The government decided in February to slow down "floating wage" increases, though the move was strongly opposed by wage earners.

These efforts have been rewarded by some measure of success in the past six months. Inflation has dropped to 11.2 per cent from the 15.3 per cent mark of July 1983. In the meantime, Italy's export trade increased 14.9 per cent and its imports increased 19 per cent. Italy is experiencing an economic upturn and the situation is much better than last year.

In the past year Craxi has also been able to steer his government through rough political waters. He has stressed that his country needs long-term stability, and solved a series of complicated problems that previously weakened cabinet stability. Forming a five-party coalition government was no easy task, and recently the government has been attacked by opposition parties because of scandal in the cabinet. Under such circumstances, Craxi, using his political stratagem, fought back and was able to consolidate the five-party coalition.

Craxi has also developed relations with Western countries, making great efforts to strengthen West European unity.

Nevertheless, Italy is still facing many social troubles such as unemployment and political rivalry. The number of unemployed has reached 2.3 million and the unemployment rate has rocketed to 30.5 per cent. Crime rates are also climbing.

Although Craxi's government is still in a favourable position since the Christian Democratic Party failed in the 1983 election and in the European parliamentary election, the unemployment and crime problems need to be solved in the coming year.

Fifty Years of Medicine

—by Ma Haide

Ma Haide, or George Hutem, was born in America to a Lebanese family. After living in China as a doctor and revolutionary for more than 50 years, he now serves as an advisor to the Ministry of Public Health. An American friend described him as "the only American who had seen, and been part of, the whole story: Chiang Kai-shek, international settlements, life in the Communist-held area, Japanese invasion, civil war, Communist victory." This article is based on a talk he gave to a group of Americans when he was touring the United States last autumn. — Ed

I WENT to China in 1933. Many people have asked me why, and I say for two reasons: to see what was there, and to study tropical medicine. My classmates and I didn't even know if they had tropical medicine in China, but it was good enough to get a one-way ticket from our families for a year.

When we got to Shanghai the first evening, we took a walk along the main street, Nanjing Road. It was a real sight, millions of people, it seemed. We'd never seen that many people. There were mothers carrying their children so lovingly and so tenderly, and my classmate said, "Any people who love children as much as they do must be a good people." I think that's what kept me in China for 50 years, among other things.

In the old days China was an unbelievable country. Whatever misery there was in the world, multiplied by two, was in China — starvation, pestilence, floods, babies dying on the street, frozen bodies in winter, anything.

At first we worked in the American St. Luke's Hospital and in English charity hospitals in Shanghai, where we were teaching

clinical medicine to fourth and fifth year students. These were major medical institutions trying to do good work, but they were handicapped — not by lack of funds or staff, but by the conditions of China. They could only take in the extremely ill, who are usually terminal when they get to a charity hospital.

It became obvious to us that day in and day out what these people needed was food, shelter, clothing and some sort of security in their lives. But they had

nothing. And no matter how skilled we were, what wonderful drugs we were dispensing or operations we were performing, most of our patients were so weak that they died anyway. It wasn't unexpected.

This was an impossible situation for young doctors who were out to change the world. We just couldn't stand it.

We worked in these hospitals for about a year, and had a private practice on the side. It was a very poor one to start with, but it had potentials. Since we didn't have very much money at the time and we only needed one doctor for the practice, I was farmed out to take over the practice of another doctor in Shanghai.

There was a very high-class dermatologist and venereologist going on a three-month vacation

Ma Haide at work.





Mao Zedong and Mo Haide in Yanan.

I was hesitant to take over his practice, because I didn't know if I would earn enough to contribute to my other classmates. But the doctor told me, "My dear young man, you have nothing to worry about." And he outlined what my income would be. "We have a roster of a hundred foreign prostitutes who have to come in regularly to have their passbooks signed that they're fit. And we have a roster of 200 Chinese for whom you have to examine and sign the passbooks. We have a contract with the Dutch steamship lines that their captains and first mates will get their venereal disease treatments in our office. We have the Shanghai police force on contract. And if this is not enough, we charge US\$300 per abortion, and the *Round the World Cruises* have our cards."

Meanwhile, what was my friend doing in our practice? He was sitting in the office waiting for patients when a well-dressed gentleman with a nice briefcase came in. He said, "We have a proposition for you. You are a young, struggling physician and we'd like to help you. I have two kilogrammes of pure heroin and

you, being a doctor, can cut it and dispense it. You're in the International Settlement of Shanghai, so nobody can touch you because you have extra-territorial rights. You can make a fortune in no time." My classmate didn't take up that proposition.

For us it was a very sad medical situation as young doctors. My classmates became disgusted and found it impossible to live with such a situation. Their families had young potential brides waiting for them, and cars and medical practices ready. The pull was great, and our situation was so difficult that they walked away from it.

But at that time I had no bride, no car, no practice waiting for me, and by then I had met in Shanghai a group of dedicated people like Agnes Smedley, Rewi Alley, Max Granich, Edgar Snow, Madame Sun Yat-sen and others. I was immediately struck by what they were telling us—that there were people in China who were working to solve the whole social problem, so that doctors could work and really do what they were trained for. At least that's the way I looked at it.

And so I joined some of the study groups. Rewi Alley was one of our group teachers. He told us a little about Marxism-Leninism, but that didn't mean much to me at that time. Then he told us about the Red Army. He said, "There's an army out there fighting to change this whole thing. They're serious. And if you don't believe it, I'll take you out and show you what really happens."

He took us out to what is now the Shanghai Hongqiao Airport. Near there were the execution grounds. It was a tourist sight. People were taken there off their round the world tours to see the place. And we literally saw executions.

Young people were being taken out to be shot, some blindfolded, others refusing to be blindfolded. They were marched in a row and would yell, "Down with the Kuomintang! Down with imperialism! Long live communism! Long live the Red Army!" And then they were shot. Some weren't really Communists; they were just students or workers who had said something against the local authority or the boss.



Rural children receive a check-up from a medical group sent by the maternity and child care centre from Beizhen County, Liaoning Province.

And then I realized that people who are willing to be shot and still yell slogans to liberate the people and change society must be pretty serious people.

Then the Red Army in the northwest sent down a message that they wanted an honest foreign journalist and a doctor. The foreign journalist picked out was Edgar Snow. They didn't ask for an honest doctor, so they took me

We travelled throughout those areas and met the past and present leaders of the government, the Party and the army, so that I grew up with these people. The whole story of this period was in Edgar Snow's *Red Star Over China*

One day I recall we were invited to attend a mass meeting of the Red Army near a northwest

Shaanxi village. The slogan was, "We are not isolated. We have the support of international friends."

They set up a podium and a big stage with some logs and trees and a few branches to camouflage it. And they said, "We're going to bring all of the armies together and we want you to talk to them. It would be very encouraging."

The meeting was on a field about the size of an American football field. The seated soldiers in the front rows had machine guns, the ones in the second row had a couple of mortars and rifles, and in three or four more rows they had bayonets on the tops of their rifles. And then, as I looked off into the distance, I could see all the agricultural tools that China

had invented in 2,000 years. They had no arms.

The chief speaker made a very fiery speech. He said: "We're going to liberate China. All the oppressed people of the world will support us. We're going to get rid of imperialism. We're going to get rid of the Kuomintang. Down with all of them! Victory is in front of us!" And Edgar Snow seated on the stage turned to me and said, "They're mighty brave people if they think they're going to do it with that army."

Well, exactly 13 years later we entered Beijing.

I'll tell you a little bit about medicine during this early war period. The conditions that we were working under were very, very poor. We had nothing. The number of doctors with standard medical training could be counted on the fingers of two hands.

The Red Army medical school was training doctors in nine months. They had come up through the medical ranks from orderlies, nurses, nurses' aides, the first aid corps and pharmacy workers. After a number of years of work, they were taken in to be trained. The millions of people in areas behind the enemy lines were treated by nine-month trained doctors. Until practically 1949, we never had many fully trained doctors working in our medical system. But we had set up all the policies, principles and methods of working with very little and taking care not only of the army but of all the civilians where the army was

The Canadian doctor, Norman Bethune, described conditions where he was working: "Think of it! Two hundred thousand soldiers behind the Japanese lines, 2,500 wounded in the hospitals always, over 1,000 battles fought during the past year, and only five qualified Chinese doctors, 50 un-

trained doctors and one foreigner to do all the work."

At that time there were many battles and guerrilla engagements fought just to capture medicine. Our intelligence services were so good that we often knew exactly what medical supplies the Japanese or a puppet army had when leaving their fortifications on a campaign. And if the proportions were right and there was enough medicines, we would engage them just to capture the medicine.

We also sent people through underground routes. Foreign friends and missionaries would go into major cities like Beijing and Shanghai and buy medicine for their mission stations, which they would bring through the Japanese lines to us. We would also send our own people to buy medicines, but that was much more dangerous. Many of our comrades lost their lives trying to get a little bit of anaesthesia through enemy lines.

Norman Bethune died because there were not enough rubber gloves to use in operations. He cut his finger and died of septicaemia. Fifty cents worth of penicillin or sulphanilamide would have saved his life.

We had medical factories making traditional Chinese medicine. We had already started the idea that modern and traditional doctors can and must work together. During this period we decided on a number of prescriptions which the traditional practitioners recommended as useful and valuable. In our factories we made the herbs and plants and things into infusions or syrups or pills and powders, so that they could be carried around.

The lack of Western medicine almost made the modern doctors useless, until the Chinese medicines were labelled in terms we could understand — anti-rheumatic, anti-fever, anti-diarrheal, etc. We were

dispensing medicines by prescription for which we only knew the supposed action. So that after liberation the idea of modern and traditional doctors working together was not very strange at all.

However, we did meet problems in making the adjustment. When we came into the cities many of the established doctors in the schools, universities and hospitals objected to our methods. They said, "You can't have unqualified people doing this or that procedure. A nurse can't give an intravenous injection, it must be done by a qualified doctor."

But we had been working with traditional and nine-month trained doctors, and they had saved many, many lives. We had to convince the medical establishment that

people can be trained quickly and adequately to handle the tremendous needs of hundreds of millions of people.

And so our policy has always been to work together with traditional doctors. In one sense, we had no choice. At the time of liberation there were almost 800,000 medical practitioners in the countryside, most of them traditional. And only about 25,000 or 35,000 qualified Western doctors, mostly in the cities. So it was natural that we should work together. But is there any good in traditional medicine? Well, speaking personally, the answer is absolutely yes.

The first time I ran across traditional medicine was during the Anti-Japanese War. In 1936, when

Song Lansin (second from right), who suffers from cancer of the esophagus, receives home-based medical treatment in Hebei Province.





Since liberation, the government has devoted great efforts to developing traditional Chinese medicine. Pictured is a hospital for traditional medicine built in Xiangtan City, Hunan Province.

the Red Armies came up from the south into northern China, many of the old fighters had malaria. They would get chills and fevers and be out of action, and we had no medicine for them, not even quinin.

I saw traditional doctors take a soldier sitting at the side of the road with malaria chills and give him three acupuncture needles along the last cervical and first thoracic vertebrae. Within a half hour he could get up and continue marching with the rest of the troops. This relief would last about two weeks, though it was not a cure. Now, I've seen this with my own eyes. I wouldn't believe it if anybody had told me of such a result.

With the prescriptions that I'd written by the hundreds for Chinese traditional medicines—and they worked—I was a devotee of traditional medicine.

Going into it from a more scientific angle, in the West we treat night blindness with cod liver oil—Vitamin A. Chinese doctors had this long ago. They used to feed their patients the livers of "flying" squirrels. This was the classical prescription for night

blindness. These livers, of course, are high in Vitamin A.

If we look at modern medicine, we can also find many discoveries which come from traditional Chinese medicine. For example, in Yunnan Province the traditional doctors were getting very good results with their cardiac patients. We couldn't figure out why their results were better than other traditional practitioners in other areas. But we didn't study it very thoroughly, we just copied what they were doing.

A few years later a drug called rauwolfia was discovered in India which lowers blood pressure. We went back to the prescriptions from Yunnan and found we had the Chinese version of the same drug, which had been used for hundreds of years. It grows well in Yunnan and other provinces.

As boring as statistics can be, I'd like to quote a few. I've worked in counties that had an infant mortality rate of 500 per 1,000 live births e.g. in Anzhai, Shaanxi. Now, according to the 1982 national census, we have 34.68 infant deaths per 1,000 live births.

Before liberation the average life

span was 35 to 38 years. Now it's 67.88.

Now we have many more doctors, hospitals, beds, etc. We have 109 medical schools, we've got research institutes and many other medical facilities. But I want to show from the above statistics that because of liberation, doctors were able to become doctors, to really serve the people and do some good for them, as compared to those poor conditions I found in Shanghai in the early 1930s.

In 1949, the obstacles we had to overcome were, of course, terrific. When we entered Beijing, for example, the top eight killers were the infectious diseases, infant mortality, opium poisoning and the like. The ninth was cardiovascular disease and the tenth was cancer. But within a few years we had an enormous change. Now, heart disease, cancer are among the first killers as they are in the West.

This only goes to show that the improvement was very quick, because we stressed prevention. If we had waited until our clinical services developed to the point where we could accommodate all the sick people and treat them, we would never have caught up. But with prevention, we cut the problem out at its root.

I remember working in the Ministry of Health in the very early years. We didn't have much money; our budget was in terms of catties of millet. One year we had 100 million catties of millet for smallpox vaccinations. Within about five years we had vaccinated the whole population, so that smallpox was eradicated from China very early.

Since then we've eradicated a number of other diseases, including cholera, plague and venereal disease.

(Continued on p. 34.)

On Reform of Rural Economic System

A SYMPOSIUM to discuss the reform of rural economic system was held several months ago in Chengdu, Sichuan Province, by the Chinese Research Centre of Rural Development. More than 130 researchers on this topic and functionaries of some of the experimental units attended. The following is a summary of the symposium.

The symposium participants held unanimously that the reform of China's rural economic system started with the implementation of the contracted responsibility system which links remuneration with output. The following reforms have been conducted on this basis in many places

1. Changing the people's commune system, which integrates government administration with commune management, and setting up separate organizations for township political power and various economic activities

2. Changing the forms of management. Specialized services such as seed, fodder, plant protection, agro-techniques and farm machinery companies, will be established by separating certain existing linkages in agricultural production. Production will be aimed in a specialized and socialized direction.

3. Managing farm products by combining their production, processing and marketing.

4. Reforming the distribution of goods, restoring the peasant-run supply and marketing co-operatives and credit co-operatives, developing co-operative and individual commerce.

5. Turning the cadre system of "lifelong tenure" into one of selecting and appointing intelligent and capable cadres.

These reforms have aroused the peasants' enthusiasm and promoted the development of agricultural production, encouraging the transformation of a self-sufficient and semi-self-sufficient agricultural economy into a commodity economy, of a traditional agriculture into a modernized agriculture. Thus rural areas all over the country are presented with a situation of unprecedented excellence.

However, these reforms are still deficient in an overall and systematic plan. Each region and department goes its own way, uncoordinated with each other. A most pressing task today is to study how to integrate the local reforms with the reform in the country as a whole, and map out a feasible overall programme.

Most participants at the symposium agreed that the rural economic system mainly refers to the structure of ownership as well as the systems and methods of managing a rural economy, which involve planning, credit, taxation, commerce, pricing, supervision and administrative organs. Existence of defects in every aspect of China's rural economic system underlines the need for reform. However, there were different views on the focal point of reform at the meeting.

Some people held that stress should be put on reforming the system of commodity circulation. Peasants' enthusiasm for production is running high and output

has increased sharply as a result of the implementation of the contracted responsibility system and rural policies. Nevertheless, there are numerous rough spots in the distribution system, arising from mainly a pronounced natural economic characteristic of the current circulation system, as well as the malpractices by monopoly management of state-owned commercial units, arbitrary actions, unnecessary linkages in the commercial chain, slow turnover and "everybody eating out of the public pot"—that is, everybody receiving pay regardless of how much or how well he has worked. Reform of the co-operative system was called for. Participants pointed out that even though supply and marketing co-operatives sponsored with collective funds in the name of the peasants, the peasants often hold only a few per cent of the shares. The collective nature of these organizations should be restored. Meanwhile, while insisting upon state-owned commercial channels, co-operative and individual commerce should be energetically developed to form a commercial network linking town and country with multi-channels and fewer middle-men. A united organization is to be set up in both the levels of county and township, causing it a regional commercial organization to provide information and guidance for production and consumption at the grass-roots level.

Others felt that reform should be centred on the pricing system. At present, irrational price parity between industrial and agricultural products and between various

types of farm produce is the most important thing hampering the production and distribution of commodities. The prices of heavily consumed commodities, such as grain, cotton, meat and vegetables are too low, making circulation difficult. To ensure a supply of daily necessities for urban residents, the state cannot but "buy high and sell low" which requires heavy state subsidies. This irrational price parity encourages some peasants to plant crops of high value that will bring them large profits, thus leading to short-sighted production and uncoordinated development of various trade and industries. Therefore, the price system should, on the whole, be reformed, and the price lever be used to readjust production and distribution.

Another view suggested was that the focus of reform should be on readjusting the structure of the rural economy. Because not a few rural areas still engage solely in farming and providing raw materials, the overall rural economy is unable to make rational use of its rich natural resources and labour forces, or raise economic return. On the other hand, processing of farm products cannot be handled in time, particularly when there is a big increase in goods, thus causing a heavy loss to the producers. A suggested solution was comprehensive management, with combined production, processing and marketing.

Another view held that the emphasis should be on the planning system, which could cover distribution, pricing and economic structure. Once the question of a planning system is settled, the other problems can be easily tackled. The biggest problem with the current planned management of China's rural economy is that almost every unit of production have been made its own business, that it lacks flexibility and ignores the role of the market. The principle

that the planned economy is a primary concern and market readjustment is secondary should be followed. Mandatory planning should be carried out for the production and distribution of the produce which has a bearing on the national economy and the people's livelihood, such as grain, cotton and oil-bearing crops. Guidance planning should be carried out for the products of importance and in short supply. For the products which are small in output value and varied in assortment, the producers can arrange themselves production and marketing according to the changes in market supply and demand.

Still another view was that reform should focus on continuing to stabilize and perfect the production responsibility system. Unless new problems, such as subcontracting and new economic combines, are seriously studied and solved, adherents to this view said, the rising enthusiasm of the peasants will be dampened.

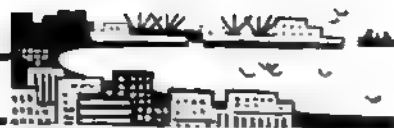
The symposium agreed that setting up separate government administration and economic management is one of the main tasks of reform. The aim of "separation" is to free the communes from subsidiary administrative bodies to be relatively independent economic units which do business themselves according to the demands of economic law. But present experimentation shows that most township economic organizations set up to date are mainly nominal. Some people hold that township economic organizations should manage and co-ordinate the economic activities of the whole village and provide information. As the economy develops, economic organizations of managerial nature will gradually become economic entities.

Some economic functions of brigades and production teams have been transferred up to the

township and others down to contractors, as a result of the introduction of the production responsibility system. Such being the case, some people suggested that the organizations of the two levels can be merged into one, which would help streamline the organizations, reduce administrative levels and lighten the peasants' burden. Other people, however, held that cancellation and merging are undesirable. They argued that since land is and still will be the subject of labour in agricultural production and there is still centralized and decentralized management even though the responsibility system has been carried out, every commune member has to work and live in a certain district and organization. Therefore, the regional co-operative economic organization with land as the centre must remain in existence.

The participants held that reform rests on Marx's basic principle that production relations must conform to the nature of the productive forces. The aim of reform is to overcome malpractice in the original system and to set up a socialist rural economy with Chinese characteristics which will promote the development of productive forces.

To attain this goal, the following principles should be insisted upon: (1) Socialist ownership of means of production, planned economy and to each according to his work. (2) The principle of consideration given to the state, collective and individual interests. (3) The principle of seeking truth from facts. In China's vast countryside diversified natural and economic conditions exist, management levels vary from place to place, contradictions in rural economies differ with each other, and the problems needing to be solved are different. Therefore, the mode of reform should proceed from the actual conditions of various places. □



Port City Profiles

Yantai: Where the Maritime 'Silk Road' Starts

In an effort to boost modernization, the Chinese Government last May decided to open 14 port cities to foreign investment and technology.

Cities targeted for economic co-operation with the rest of the world are Dalian, Qinhuaigdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai.

"Beijing Review" correspondents have filed a series of reports from these port cities to acquaint readers with current conditions, development plans and the investment climate. The following report on Yantai is the first of the 14 profiles.

Co-operation Means Opportunity for Investors

by **DONG CHUANZHOU**
Mayor of Yantai

PERCHED on the eastern tip of the Shandong Peninsula facing Korea and Japan across the Yellow Sea, Yantai has been a key port city on the northern China coastline since ancient times. And it is about to become even more important.

According to historical records, Yantai was already a major link on the country's ocean shipping line during the Spring and Autumn Period (770-476 B.C.). The local shipping industry reached an apex during the heyday of the Tang Dynasty more than 1,000 years ago. As the starting point of the maritime "silk road," ships leaving Yantai took silk weaving and iron and paper making techniques from China to Korea and Japan.

Today, Yantai has developed into one of China's export centres, sending out ocean-going vessels to more than 100 ports around the world. All told, 415 commodities are shipped via the

city to more than 90 countries and regions. Since being designated last May by the Chinese Government as one of the 14 coastal cities to be opened to foreign trade and investment, Yantai has attracted world attention and foreign entrepreneurs are flocking to the city in search of investment opportunities.

Strong Development Potential

Yantai is an ideal place for expanding economic ties with the rest of the world. The area under the city's jurisdiction is rich in natural resources and its industry and agriculture are relatively well developed.

The city leads the nation in prawn catches and provides 10 per cent of the country's seafood. Yantai's rural area is one of Shandong Province's major fruit, oil-bearing crop and grain production bases. More than 30 kinds of minerals have been found, the gold reserves being the largest in China. All totalled, Yantai's 1983 industrial output ranked second

in value among Shandong's 14 prefectures and cities.

All the area's county seats, towns and large villages have been linked by an extensive highway network, totalling 5,700 kilometres. The Lancun-Yantai railway links the city with Beijing, Nanjing, Jinan and Qingdao. With an annual cargo handling capacity of 6.5 million tons, three of the 10 berths in Yantai Harbour are large enough for 10,000-ton-class vessels.

Tourist industry growth holds great promise, too, as the city enjoys a pleasant climate, picturesque landscape and is studded with historical sites.

All in all, Yantai is in a good position to develop economic and technological co-operation with the rest of the world. This means many profitable opportunities for foreign investors who, in turn, will bring the funds and technology needed to launch the city's economic takeoff.

Revamping Old Factories

Yantai will at first devote its major efforts to using technology to upgrade its factories. During the 35 years of construction since liberation in 1949, the city has developed a sizable industrial base of 2,600 enterprises, 309 located in the city proper. They include food processing, textile, electronic, meter and instrument, machine-building, chemical, coal and metallurgical industries.

For their high quality, Yantai's brandy, vermouth, red wine, wood

frame clocks, copper locks, refrigerators and photoelectric devices have won state gold or silver medals. The city also enjoys a strong reputation on the world market for its canned foods, tonics, hardware, and such art objects as jade carvings, ornamental laces and woollen needlepoint tapestries.

Achievements notwithstanding, many of the city's factories, handicapped by outmoded equipment and technology, are in need of transformation. It is planned that 81 such factories will be revamped by incorporating foreign capital and technology so they can catch up with world levels by 1990.

Ten such factories are in the food processing industry, where new technology and equipment are needed to improve the quality of beer, wine, champagne and canned food. Eight electronic factories will get help to produce super-thin microcomputers. Twenty-eight of these factories are in the light industry. With foreign investment they will upgrade their products and develop new ones

The 12 textile factories will use imported computerized machines to improve the quality and increase the variety of the products. For the 16 machine-building factories, new technology will be used to develop products that are in demand on the world market. Also included in Yantai's technical transformation plan are seven factories in the building materials, pharmaceutical and chemical industries.

Setting up the Economic Zone

A 20-square-kilometre area has been set aside for an economic and technical development zone in the western part of Yantai. The area was chosen because its even topography makes construction relatively easy and inexpensive. Transportation is convenient, too, with highways linking the Yantai railway station and harbour 10 kilometres away and the Laishan airport 27 kilometres away. There are sufficient power and water supplies as well. And the area's 10-kilometre-long beach can be

turned into an ideal summer resort.

A three-square-kilometre area is slated for development in the near future. When completed, the area will be covered with an impressive array of industrial operations. Efforts will be made to design enterprises that are pollution-free. The first group of enterprises to be built include 30 joint ventures between Chinese and foreign investors. Also planned is a posh hotel, a restaurant, a supermarket and a large seaside swimming area.

Diverse forms of economic co-operation will be introduced. Foreign entrepreneurs may run joint ventures with Chinese partners, or they may seek co-operative production. Other options include compensatory trade, where investors receive a share of the products in return for investment, or processing and assembly work, where the foreign interests supply the raw materials or components. They can also lease equipment and technology or even run wholly owned companies or factories.



Prefential Treatment

Foreign investors willing to invest in Yantai will receive preferential treatment. Equipment crucial for the technical transformation of existing enterprises will be exempted from customs duties and the industrial and commercial consolidated tax prior to 1990. Added income gained from the technical transformation will first be used to pay off the outstanding accounts and then to produce profits.

In setting up joint ventures and co-operative projects or enterprises with exclusive foreign capital in the old city proper, in the case of enterprises which are technology-rich or enterprises which have an investment of over 30 million US dollars by foreign businessmen and which need a longer period to recover the investments, their income tax may be reduced with the approval of the Chinese Ministry of Finance, and a 15 per cent income tax will be levied. The equipment needed in the production and management of these enterprises, and the construction materials, raw and semi-finished materials imported by them as investments, as well as articles for use by the foreign businessmen and technicians and their transport facilities imported from abroad will be exempted from customs duties and the industrial and commercial consolidated tax. Export products turned out by these enterprises will be exempted from customs duties and the industrial and commercial consolidated tax. At the same time, they will be allowed to sell a certain amount of their products on the domestic market. But tax will be levied on those products produced with the tax-free raw and semi-finished materials imported from other countries when they are sold in China.

In the economic and technical development zone, an income tax rate of 15 per cent will be levied



Dong Chuanshou, Mayor of Yantai.

on joint ventures, co-operative enterprises and enterprises with exclusive foreign capital. When foreign businessmen remit abroad their share of profits obtained from the joint ventures, no income tax of the remitted amount shall be levied. The enterprises in the economic and technical development zone will also receive preferential treatment on the import of building materials, production equipment, raw and semi-finished materials, parts and auxiliary equipment, transport facilities and office articles.

As for land rentals and taxes, foreign investors may get reduced charges. Yantai is empowered to approve projects with investments less than US\$5 million. The Bank of China, Yantai branch, will handle the banking needs of the economic ventures.

Entrance and exit procedures for foreign businessmen, overseas Chinese and compatriots from Hongkong and Macao will be simplified.

Favourable Investment Environment

Since the decision was made to open Yantai to foreign investment,

steps have been taken to ready the area for economic co-operation. The city people's government has set up an economic and trade commission with foreign countries, which will organize and co-ordinate economic and trade activities with foreign countries. Also, a newly formed economic and technical development corporation will undertake the business of seeking foreign capital, importing technology and operate businesses involving compensatory trade, processing and assembling with supplied materials and co-operative production.

Yantai is in urgent need of trained people to help facilitate its co-operation with foreign countries. It has four institutions of higher learning, 21 secondary technical schools, and 100 specialized research institutes with some 30,000 technical employees. Though there are many ready to work with advanced technologies, Yantai is attempting to speed up the training and import of qualified personnel.

Infrastructure improvements in the Yantai area are also in full swing.

In transport and communica-

tions, the Laishan airport is being reconstructed and direct air routes will be opened. It is expected the airport will be open to traffic in early October. With the approval of the state, preparations for a first-phase expansion project for the western harbour in Yantai are being made. Construction will start in 1985. After completion of the harbour in 1990, three 25,000-ton-class berths and three 15,000-ton-class berths will be built, and the annual loading and unloading capacity of the harbour will reach 10 million tons.

In telecommunications, construction is due to start next year on domestic and international cable and telephone facilities. The project will be completed and put into service in 1986.

Energy construction is also in full swing. Construction of the Longkou Power Plant, which includes two 100,000-kw generators and the building of a 220-kilovolt transmission line, will be completed at the end of this year. Preparations for the second phase of this project, which includes two 200,000-kw generators and the building of a 220-kilovolt trans-

mission line from Yantai to Weifang, are being made.

Hotels and other facilities for foreign businessmen are being designed or constructed.

Rapid Progress

Statistics for the 1979-83 period show that Yantai used foreign capital to build 182 projects valued at US\$21 million. It imported 257 sets of equipment and produced or purchased 1,526 sets of equipment. The city has constructed buildings covering a total area of 122,100 square metres, and 165 projects have now been completed and put into production.

By absorbing foreign capital and importing advanced technology, gratifying achievements have been made. For instance, in order to boost the production of its traditional product, the peanut, Yantai imported in 1978 US\$6 million worth of sprinkler equipment to improve irrigation conditions for one million *mu* (66,667 hectares) of peanuts. At the same time, imported equipment was used to transform phosphate rocks and sulphur into phosphate ferti-

lizer for the peanut production. As a result, Penglai and three other counties increased peanut output in successive years. These counties earned US\$8.89 million for the state in 1978 and 1979 and paid off the investment in two years.

Since Yantai was included as one of the 14 cities to be opened to outside investment, foreign businessmen have come one after another to hold business talks. By the end of July, 48 projects to be built with foreign capital had been approved. The projects are valued at US\$25.93 million. Agreements for half of the 48 were reached in July. In addition, city officials have met and held business talks with more than 400 foreign businessmen in 124 groups from Japan, the United States, France, Britain and Austria, as well as from Hongkong and Macao, and 78 letters of intent, agreements and contracts have been signed.

Yantai warmly welcomes foreign entrepreneurs, overseas Chinese and compatriots from Hongkong, Macao and Taiwan to invest in factories, scientific and cultural undertakings and tourism.



A glimpse of the modern Yantai Synthetic Leather Factory.

Yantai on the Brink of Development

by JIAN CHUAN
Our Correspondent

COMPARED to the other 13 coastal cities China recently declared open for foreign investment, Yantai is small and not so well known as, for instance, its neighbour Qingdao.

But combined with the surrounding areas under its jurisdiction, Yantai is impressive. Altogether it has two districts, 12 counties and the small city of Weihai, covering 19,800 square kilometres and home to some 8 million people.

Known in legend as "a fairyland" city, the picturesque Yantai landscape has fascinated many, including Qin Shi Huang, the first emperor of the Qin Dynasty. Following his unification of China in 221 B.C. Qin Shi Huang visited the coastal city three times in search of pills of longevity. Although he never found the illusive medicine relics of his visits still attract tourists to Yantai.

Visitors now find a pleasant climate and rich resources in this region. Yantai's brewery, processed foods and manufactured goods have long been famous at home and abroad.

Since the founding of New China in 1949, Yantai has led Shandong Province in industry, agriculture and fishing. Its industrial output value ranks second only to Qingdao. But Yantai bests Qingdao in resources, and a combination of its own strength and foreign investment and technology will certainly speed development.

Farming Thrives in Yantai

Mild climate, abundant rainfall, fertile soil and a tradition of intensive farming have made Yantai one of the most productive areas in China. In 1983, for instance, it produced 15.2 per cent of the grain output of Shandong

Province and 18.9 per cent of the peanuts and 20 per cent of the apples of the whole country.

Yantai's large peanuts are rich in protein and vitamins. Peanut oil and other peanut products are major exports. Yantai's grapes are tasty and sugar-rich. Grape wine exports total 2,000 to 3,000 tons annually. Yantai's apple, cherry, pear, strawberry and peach crops are also famous and have found markets in more than 40 countries and regions. But its processing capacity is too small.

Yantai's Zhangyu Wine Brewery, built in 1892, was the first of its kind in China. Brewery manager Wang Youxing, 44, lamented that his factory isn't big enough. He pointed out that last year the city produced 38.5 million kilograms of grapes. His brewery, though, could only use 14.25 million kilograms because of lack of modern equipment. This year, the grape crop is ex-

pected to total 60 million kilograms, but the factory can only press 17.5 million kilograms.

The Yantai Canned Food Factory is confronted with the same problem. Though producing 20,000 tons of canned fruit annually, it can only process a small amount of the fruit crop. In recent years, the surrounding counties have built 78 canning factories, with a combined annual output of 50,000 tons. But because of outdated equipment, quality is poor and the products cannot find a ready market.

Over the past two years, many foreigners and compatriots from Hongkong and Macao have visited Yantai to investigate possible investments. In July of last year, the Japanese Koshuen Co. Ltd. signed an agreement with the Zhangyu Wine Brewery in the form of compensatory trade. The Japanese firm provides the presses, storage cans and other equipment, and the brewery will pay back the investment with its products in three

Foreigners sample wine at a Yantai winery.





The Zhifu Hotel in Yantai.

years. This year, the two sides agreed to set up a joint venture, and an agreement was initialled.

The development of agriculture and a diverse economy has boosted the income of the average Yantai peasant. In 1983, for instance, the peasants each earned an average of 448 yuan, far higher than the average wage in Shandong Province or the nation. With more cash in hand, more peasant families can afford to buy durable consumer goods. City dwellers' bank savings amount to 1,459 million yuan, indicating Yantai's potential to become a big consumer city.

Rich Gold Deposits

Yantai, a major gold producer in China, turns out one-fourth of the country's gold every year. Zhaoyuan County, like other counties surrounding Yantai, is rich in gold. Zhaoyuan County was said to lead all of China's counties in gold output, but recent geological surveys indicate that rival Yexian County will surpass Zhaoyuan as the nation's leading gold producer. Yexian's Xincheng and Jiaojia gold mines have already begun mining, and expansion is on the way.

In addition to gold, Yantai is

also rich in silver, copper, lead, zinc and other minerals. Shandong Province's nonferrous minerals are mainly found around Yantai. Known molybdenum and copper deposits each total more than 400,000 tons. The Xingjiashan molybdenum mine near the Fushan economic and technological development zone is due to be upgraded with imported technology and equipment and will be jointly operated with foreign firms.

Yantai is also rich in non-metallic minerals. The beach in Rongcheng County is one of China's three biggest producers of silicon dioxide sand. Containing 93 per cent of silicon dioxide, the sand is the raw material for plate glass. It is estimated that if Yantai were to build a glass factory producing 2.2 million standard crates of glass and consuming 300,000 cubic metres of sand a year, the beach could continue to supply sand for at least a century.

Other large deposits of non-metallic minerals found in Yantai include talcum, marble, magnesite, granite and graphite. Some 40 non-metallic minerals have been found and their value is largely undocumented since most of them are left untouched.

Engineer Zhou Hongsheng noted

that Yantai's known deposits of talcum account for one-fifth of the nation's total. The talcum mine in Xixia County, one of China's three biggest, has a deposit of 2 million tons. The talcum mine's 50,000-ton annual output is wholesaled by a foreign businessman. Xixia County is convenient for transport, located only 35 kilometres from the harbour. However, because of poor equipment and outdated technology, its small output cannot be increased to meet the demand both at home and abroad.

Yantai has granite deposits totalling 100 million cubic metres and exports 25,000 cubic metres every year. Yexian County's snow-white granite, and Xixia County's green granite are favourites on the international market. However, production is limited by equipment and investment.

Once considered coal-poor, Yantai discovered in 1968 that Huangxian County has rich deposits of brown coal as well as oil shale which contains 9 to 24 per cent of oil. The area's first coal pit, with an annual capacity of 900,000 tons, has been put into production. A second pit, with a designed capacity of 1.8 million tons, is under construction. And three more pits are scheduled to be built within several years.

Vast Fishing Grounds

Flanked on three sides by the sea, Yantai has a coastline of 1,300 kilometres. It has four major fishing grounds producing prawn, sea cucumber, molluscs, abalone and other seafood. Last year, Yantai fishermen brought in 430,000 tons of seafood, 63.7 per cent of Shandong Province's total and 8 per cent of the nation's harvest.

China's biggest producer of prawn, Yantai has 40,000 hectares of water area suitable for raising prawn. However, only one-sixth has been used. Handicapped by

other factors such as lower per hectare output and outdated equipment it can only produce about 10,000 tons of prawn a year. With advanced equipment and an expanded breeding ground, the prawn output could surge. This has been proved by research. Last year, Rongcheng County staked off a 0.13-hectare area for an intensive breeding experiment. The per-hectare prawn output in the experiment was estimated at 667 kilogrammes, dozens of times higher than before.

Foreign investors have shown strong interest in prawn breeding. Some have supplied equipment to Yantai prawn breeders in return for a share of the prawn harvest.

The City Aquatic Products Bureau estimated that Yantai has 400,000 hectares of shallow water (less than 15 metres deep) suitable for raising sea cucumber, molluscs, abalone, fish and oyster, as well as prawn. But so far only 8 per cent of the shallow water is used for seafood production.

Tourism to Be Explored

Yantai's weather is mild, averaging 12°C (53°F) all year round, with no bitter cold in winter and no sweltering heat in summer. Dotted with many historic relics along its coast and in inland areas, Yantai is ripe for tourism.

Nationally known as "a place of cooking," Yantai serves its tourists several hundred seafood and regional dishes. It has well-furnished hotels and restaurants both in the city and in surrounding counties. Tourists may even enjoy a delicious meal with a peasant family.

Getting to Yantai is easy. It is linked with Beijing, Jinan, Nanjing and Qingdao by train, and with Tianjin and Dalian by boat. In addition, airline connections to Beijing and Shanghai will be opened in October.



The rich fishing grounds off the Yantai coast.

Yantai has many tourist attractions. Visitors may wander through the Penglai Fairyland, built from 1056 to 1063, a collection of buildings, halls and pavilions. There is also Liugong Island, which has ancient forts; Chengshantou, known as China's "Cape of Good Hope," and Kunyu and Chashan Hills, where Taoism originated.

Of particular interest to tourists may be Wenfeng Hill in Yexian County, which has the third largest collection of steles (stone tablets inscribed with calligraphy) in China. There is a saying in Japan that without arriving at Wenfeng Hill, one cannot become a calligraphist.

Yantai also has 14 hot springs. The water is 79°C (174°F) and contains 17.3 grammes of minerals in each litre, making the springs suitable for treating skin diseases.

The area's handicrafts are stylish and unique. Craftsmen produce needlework, strawware, woollen goods, carvings and hardware. Handicrafts make up 22.2 per cent of Yantai's total annual income.

Though already important, Yantai's tourism is not well developed. Yantai officials hope to develop the coast into a tourist attraction within the coming four

years. Among the projects planned are:

- The Daiwang Hill Tourist Centre, consisting of a general service building, hotels, swimming pools, water-skiing and sun-bathing areas, fishing facilities, seafood restaurants and other modern amenities.

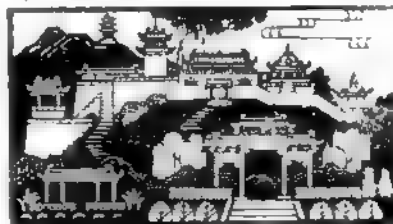
- The "Sea Tourist Garden" on Kongdong Island, which will offer swimming, fishing, boating and seafood dining.

- A Ming Dynasty styled city around the Penglai Fairyland.

- Renovation of ancient buildings and other historical relics.

- A sea life exhibition centre and a museum to collect and house ancient weapons.

In the later six years, the Kunyu Hill will be developed as a tourist centre for horse-racing, hiking and hunting, and Chashan Hill will be a tourist and convalescent centre—all designed to attract tourists.



Views on Educational Investment

from "JINGJIXUE ZHOUBAO"
(Economics Review)

TODAY many people are of the opinion that education spending should go both to regular schools of various kinds and to adult education.

With the rapid development of technology, adults in the workforce must be trained in new skills and have their skills updated more often. To meet that need there is an increasing trend to spend more money on adult education.

There are divergent views about educational investment. Some hold that education brings about a populace which enjoys culture, science and technology more fully.

Others consider educational investment as merely an investment in higher production. They argue that after education and training, workers have higher productivity.

There are others, still, who argue that spending money on education has a dual nature—that it both enhances the intellectual enjoyment of the people and increases their productivity.

The differences of opinion are brought to the forefront when it comes to the question of how much should be spent on education. Those who see education spending as solely an investment in higher productivity feel that a priority should be given to educational ventures because the benefits take too long to be reaped.

Some contend that educational investment is limited by the amount of growth in the entire economy. At the modest level of the current economy, they argue,

educational spending can not be increased on a large scale. The only way to boost the proportion of spending in education, they say, is to expand the economy as a whole.

Peasant Helps Others Prosper

from "RENMIN RIBAO"
(People's Daily)

IN Xinzhou County, Hubei Province, a peasant used his skills to help turn around three failing plastics factories.

Huo Siyuan, formerly a worker in a brigade-run plastics factory, invested 5,000 yuan of his own money to operate a family plastics factory last February. Owing to his practised skills, he was immediately successful—the polyethylene he produced was of perfect quality. As soon as he started operating, he signed a contract with a plastics factory in Anhui Province. Three months after be-

ginning, he made a profit of 3,500 yuan.

Hardly had the news spread, when many peasants and collective enterprises flocked to inquire about Huo's techniques, his management experience and how they might expand their markets. Huo told them without reservation.

When he heard that two plastics factories had failed to find markets for their products, he helped them out without hesitation.

Being a "go-between," he also helped a factory sign a 100-ton contract. The contract rejuvenated the factory, which had previously been forced to stop working for more than a year.

To express their gratitude, these factories offered Huo money or reward, which were all declined. Some well-wishers were puzzled, asking Huo, "Do you fear that others will stand in your way of making money?"

Huo answered, "The products of good quality will surely be sold. Moreover, it is both the Party's high hope and my duty to help all others become well off."

Wedding Traditions Taking New Turns

from "BEIJING RIBAO"
(Beijing Daily)

LOVE and marriage still go hand in hand in China, but the way young couples go about getting married has changed dramatically in the past few years.

A recent study of 120 Beijing weddings shows that couples are spending less on the traditional wedding dinner, more on the goods to furnish their home and

are taking off on honeymoon trips in unprecedented numbers.

In 1980, a couple spent an average of 335 yuan on their wedding dinners, an amount that accounted for one-fifth of the total wedding cost. But in 1983 the average wedding feast cost only 230 yuan, now making up only one-tenth of the total bill. Going the economy route on the dinner, many young couples have cut the traditional seven or eight tables of food in half.



A collective wedding ceremony held for 150 couples in Beijing.

While couples are watching their pennies in the dinner, they are spending them more freely on other wedding necessities. The average wedding in 1983 had a total bill of 1,904 yuan, up 360 yuan over 1980.

The higher costs came in furnishing the house. While couples settled for a bed, a desk and two chests of drawers in the past, they are now setting up their home with better furniture and appliances such as a TV set, a radio-tape recorder, a washing machine and a refrigerator. The costs of the basic furniture have risen dramatically since 1980, leaping 32 per cent from 592 to 787 yuan.

Despite the increased spending, couples are more confident of paying their bills because they are receiving larger gifts from their families. Last year newlyweds received an average of 1,009 yuan in gifts from their parents and relatives, enough to pay more than half of their wedding-related bills.

The larger wedding gifts are largely attributed to increasing income. As one labour union leader commented after giving his son 1,000 yuan as a wedding gift, "We can't fulfil our duty unless we support our children economically or materially."

Wedding styles are changing just as rapidly as the price tags. Honeymoons were almost non-

existent a few years ago, but the Beijing study shows that 57 per cent of the couples are now taking a trip after the wedding.

Traditional grand banquets and ceremonies are also evolving. During the Spring Festival in 1982, for instance, many couples skipped the big wedding banquets in favour of a collective wedding held in the Cultural Palace of Working People in Beijing.

Other weddings took the form of quiet, personal ceremonies. Some college classmates getting married invite only a few classmates and limit their revelry to conversation and listening to music. One young couple held their ceremony at the Yuan Ming Yuan, the ruins of a burnt-down palace in west Beijing. There they had just two colleagues as witnesses and the reading of their wedding vows was the principal part of the ceremony.

Rural weddings are also undergoing a transition to keep up with the changing nature of China's agriculture. While three or more generations of a family have traditionally lived under the same roof so as to provide enough hands to do all the farm work, modern farming has eliminated the need for all the children to stay on the farm.

A survey shows that 36.4 per cent of the young couples in Huanghoudian brigade, Yongfeng

commune, now live apart from their parents. In another village in Yuyuantan commune, 80 per cent of the young people work in commune-owned enterprises rather than in farming, and 76.6 per cent of the young married couples live away from their parents.

Children's Paper Enjoys Popularity

from "ZHONGGUO XINWEN" (China's News)

LITTLE MASTER, the first newspaper in China created by and for children, has a total of some 40 editors, reporters and art designers.

The young journalists come from the primary and junior high schools in Shanghai. The staff averages less than 12 years old and the youngest member is only 8.

After regular class the reporters interview young friends, gather materials and write their articles. They also periodically get together to discuss how best to run the newspaper.

Under a strict system of "retirement," former chief editor Shen Yimin, a student in a junior high school, couldn't continue her work once she reached her 15th birthday. Two days before her birthday, the editorial department held a party to mark her departure.

Last April, an 8-year-old became a photographer for the paper. Within one month, he shot more than 300 pictures, some of which not only appeared in newspapers, but were also on display in children's photo exhibitions.

One day, the tiny photographer was covering a painting and calligraphy exhibition. But after lunch he had somehow lost his press card while playing. The photographer, his camera hanging from his neck, could not help wailing.

Setting the Record Straight About Tibet

The Story of the Dalai Lama (Chinese edition) will be available from the People's Publishing House later this year.

Written by Ya Hanzhang, Director of the Institute of Nationalities under the Chinese Academy of Social Sciences, the book uses a thorough battery of historical facts to refute an earlier book, *The Political History of Tibet*.

The Political History of Tibet was written in Tibetan in 1967 by Xakabba Wangqug Döbdun, a former local Tibetan government official who then lived in India. The English translation was later published by Yale University Press. The book describes the relationship between the Chinese central government and local Tibetan authorities as one between "the benefactor and the lama."

But *The Story of the Dalai Lama* draws on history to show that since the 13th century, the relationship between the Yuan (1271-1368), Ming (1368-1644), and Qing (1644-1911) emperors and Tibet's Dalai Lama was both a religious relationship between "the benefactor and the lama," and, more important, a political relationship of subordination.

Describing the Dalai Lamas through the generations, the book explains how the first Dalai Lama was a member of the Yellow Sect of Lamaism. Although the first through the fourth Dalai Lamas (1591-1616) were very influential in religious matters, they had no real political power. Tibet was then under the rule of Sagya (White) Sect leaders.

In 1642 the fifth Dalai Lama seized political power in Tibet. Later he went to Beijing to see the Qing Emperor Shunzhi. In 1653 Shunzhi sent a gold seal and a 15-page golden certificate to the Dalai Lama, formally establishing the political position of the Yellow Sect in Tibet.

After the death of the fifth Dalai Lama in 1682, Emperor Kangxi himself approved the installation of the sixth Dalai Lama (born in 1683), who lived only for some 20 years.

In 1716 the Junggar cavalry of Xinjiang attacked Lhasa. The seventh Dalai Lama, another boy, who had been discovered in Xikang, could not go to Tibet and had to live in the Kubum Qamba Ling Monastery in Qinghai. In 1719 Kangxi sent his son on a military expedition to drive the Junggar cavalry out of Tibet. The next year, the seventh Dalai Lama arrived in Lhasa safely and was officially installed in Potala Palace.

In 1724, several high-ranking Tibetan officials plotted to seize political power in Tibet. The seventh Dalai Lama reported this to the Qing government and asked for troops to quell the rebellion. Before the Qing army arrived, Polhane (1689-1747), an official in charge of the area of Ali, had massed 9,000 troops, occupied Lhasa, and arrested the rebellion leaders. The Qing emperor appointed Polhane the Prefect of Tibet. After Polhane's death, the Qing government made his son prefect.

The new prefect defied the Dalai Lama and plotted his own re-

bellion, and the seventh Dalai Lama once again asked the Qing government to send troops. Emperor Qianlong ordered Sichuan's viceroy to lead an army into Tibet and quickly put down the rebellion. He then abolished the prefectural system, and put Tibet's political affairs under the *kasha* (general office). The *kasha* was composed of four *kaloons* (three secular and one ecclesiastical), under the direct leadership of the Dalai Lama and the resident official appointed by the Qing court.

During the reign of the eighth Dalai Lama, the Gurkhas from Nepal invaded Tibet and occupied Xigaze (Shigatse). Qianlong immediately sent 20,000 soldiers into Tibet. In 1792, they drove out all the Gurkhas, and the emperor instructed his commander to consult with the eighth Dalai Lama, the seventh Bainqen Lama (another Tibetan religious leader next only to the Dalai Lama) and the four *kaloons* to restructure Tibet's political and religious systems.

Among the rules they formulated was one which gave the Qing official in Tibet the right to choose the Dalai Lama's successor from among three candidates. This was done randomly, pulling a slip of ivory from a golden urn.

The ninth through twelfth Dalai Lamas were all poisoned in their boyhood by big serf-owners, who scrambled for power and profit.

Long before 1876, when the thirteenth Dalai Lama was born, the British had invaded and occupied India, and later stretched their influence into Tibet. The thirteenth Dalai Lama twice led the Tibetan people to fight against

the British. But because of the great disparity in strength, he was eventually defeated.

In 1908, the Dalai Lama came to Beijing and presented himself many times before Empress Dowager Cixi and Emperor Guangxu to explain Tibet's affairs. The Qing government gave him a golden certificate, officially conferred the title of the Dalai Lama on him and gave him gifts. They also granted him 10,000 taels of silver a year for education in Tibet, and he went home.

The Revolution of 1911 led to the abdication of the Qing emperor and the resident official in Tibet became powerless. In 1928, Losang Basang, a Tibetan Buddhist official stationed in Shanxi Province, was sent by the thirteenth Dalai Lama to Nanjing, where he met with Chiang Kai-shek. Chiang hoped to restore the central government's close relationship with the Dalai Lama, and sent him a letter. The next year, Konqog Zhonnyer, another of the Dalai Lama's representatives, met with Chiang, assuring him that the religious leader harboured no animosity towards the Han Chinese, and would not collaborate with their enemies. Chiang sent another letter and Konqog Zhonnyer to convey his greetings and appreciation.

In 1930 the Dalai Lama sent Konqog Zhonnyer to Nanjing to formally set up a Tibetan Office. The relationship between the local Tibetan regime and the central government gradually grew closer. The present fourteenth Dalai Lama, a native of Huangzhong County in Qinghai Province, was born in 1934. In 1938, the local Tibetan authorities asked the Kuomintang government to send an official to Tibet to preside over picking the ivory slip to choose the Dalai Lama. In 1939 the Kuomintang government sent Wu Zhongxin, then chairman of the Mongolian-Tibetan committee, to Lhasa as its envoy. The following Jan-

uary, the Kuomintang government, basing itself on Wu's report, approved the fourteenth Dalai Lama without going through the ceremony.

As nationwide liberation drew near in 1947, those in Tibet who sided with the imperialists stepped up their plans to alienate Tibet from the rest of China. That October, Xakabba Wangqug Dabdain, author of *The Political History of Tibet*, went to Britain and the United States as head of a Tibetan "commercial mission." He asked the leaders of these countries to recognize Tibet as an independent nation. They did not comply.

Xakabba and his supporters then returned to Tibet and intensified their separatist activities. In 1949 they forced Kuomintang officials in Tibet to leave, saying they wanted to prevent the "communization of Tibet."

At that time, Xinhua News Agency was authorized to issue a statement stressing that Tibet is an inseparable part of China, that the Chinese people who had been liberated would help the people in Tibet to win liberation and that the Chinese People's Liberation Army would definitely advance into Tibet.

In February 1951, the fourteenth Dalai Lama appointed Ngapoi Ngawang Jigme and four others as representatives of the local Tibetan government to go to Beijing to negotiate with the Central People's Government. In May that year, the 17-article "Agreement on Measures for the Peaceful Liberation of Tibet" was signed, reaffirming the relationship between the local Tibetan regime and the central government of New China.

The basic recounting of historical facts in *The Story of the Dalai Lama* is necessary because Xakabba has seriously distorted history in order to advance his own ideas of Tibet as a separate nation. This

division is contrary to the wishes of all the Chinese people, including the Tibetans, and will never succeed.

On the most basic level, *The Political History of Tibet* mentions only a relationship between "the benefactor and the lama," while ignoring the more important political relationship of subordination.

For example, the author alleged that Emperor Kublai Khan of the Yuan Dynasty and Qoije Pagba (1235-80), leader of the White Sect of Tibetan Lamaism succeeded in only establishing a formal relationship of "the benefactor and the lama." In fact, it was precisely under them that the subordinate relationship of the local Tibetan government and the central government was first established.

Ogadai, uncle of Kublai Khan, had helped to restore political unity to Tibet, after nearly four centuries of battling warlords.

During Qoije Pagba's rule, the Yuan government consolidated its governance of Tibet. It set up central and local offices in charge of Tibet's military and administrative affairs, carried out census, established posts and military depots in Tibet and stationed troops there.

Basing himself on those plain facts, the author of *The Story of the Dalai Lama* points out that the major relationship between Kublai Khan and Qoije Pagba was one of political subordination. Since then, the Tibetan government has formally become a local government under the jurisdiction of the central administration.

In quoting the thirteenth Dalai Lama's so-called 1913 Proclamation, Xakabba continues to deny the existence of the subordinate political position of Tibet while talking glibly about the relationship between Tibet and China as one between "the benefactor and the lama."

Putting aside the still-valid ques-

tion of whether or not the Dalai Lama actually wrote this document, its basic premise is incorrect. The Dalai Lama was himself approved by Qing Emperor Guangxu in 1876, as was recorded in his official biography.

The Story of the Dalai Lama looks deep into the historical background against which the "Proclamation" was published. In 1913 the Qing government had already collapsed. The government of the Republic of China was just formed and the official it sent to Tibet was prevented from arriving at his post by imperialist supporters.

When Yin Changheng, military governor of Sichuan, demanded that troops be led into Tibet, the British ambassador to China lodged a protest, compelling President

Yuan Shikai, a puppet leader, to order the Sichuan army to return.

Although the thirteenth Dalai Lama was in power at that time, the *kasha* of Tibet was actually controlled by separatists and pro-imperialists.

The Story of the Dalai Lama also comprehensively appraises the thirteenth Dalai Lama. He had earlier led his people, both ecclesiastical and secular, in the anti-British war, showing his firm opposition to imperialism. In his later years, the Dalai Lama kept up a constant correspondence with Mahatma Gandhi, India's revolutionary leader, supporting Gandhi's anti-British struggle.

After the Revolution of 1911, the ties between the local Tibetan regime and the central government

were temporarily suspended after imperialist intervention and the obstruction of separatists in Tibet. But the Dalai Lama himself took the initiative to establish relations with the Kuomintang government. After his death in 1933, the Kuomintang government posthumously recognized the thirteenth Dalai Lama as a "master protecting the country." The phrase "protecting the country" speaks volumes for the fact that the Dalai Lama supported the motherland.

The Story of the Dalai Lama makes clear the thirteenth Dalai Lama was a patriotic anti-imperialist leader. If the "proclamation" of 1913 was really his words, then these words were uttered against his conscience under the pressure of the pro-imperialist separatists.

— by Zhou Shu

(Continued from p. 20.)

In China we have also made a number of major contributions to science. We haven't given as much to world science as we would like, but we have been improving. I think sooner or later modern China will make contributions to world science equal to the ones made in ancient times.

However, we have not been idle. China is now famous for acupuncture anaesthesia, microsurgery, microcirculation studies, reattachment of limbs, burn treatment and prevention of esophageal cancers. China also has one of the foremost atlases of cancer epidemiology in the world. We examined the whole country and statistically analysed and mapped the different cancers according to their occurrence in males and females, by age, etc. This work took a number of years to complete and has now been published. It is a tremendous addition to our knowledge about cancer and its control.

We've had international confer-

ences on acupuncture, and scientists around the world are very interested in our work. In recent years, with the opening policy of China, we've been working with the World Health Organization (WHO) and many other groups. We hold four training classes a year together with WHO to teach acupuncture. We've sent out more than a thousand medical people to 32 countries, and have sent medical teams to third world countries for many years now.

Many of our people go to the United States or elsewhere abroad and are dazzled by the big medical centres they see. They begin to look doubtful when we talk about traditional medicine. That's one side of a problem we're facing with modernization.

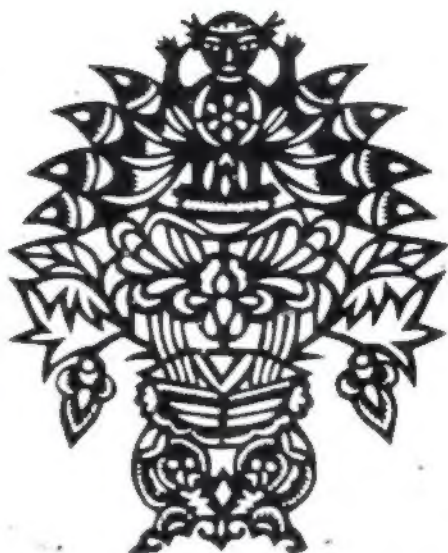
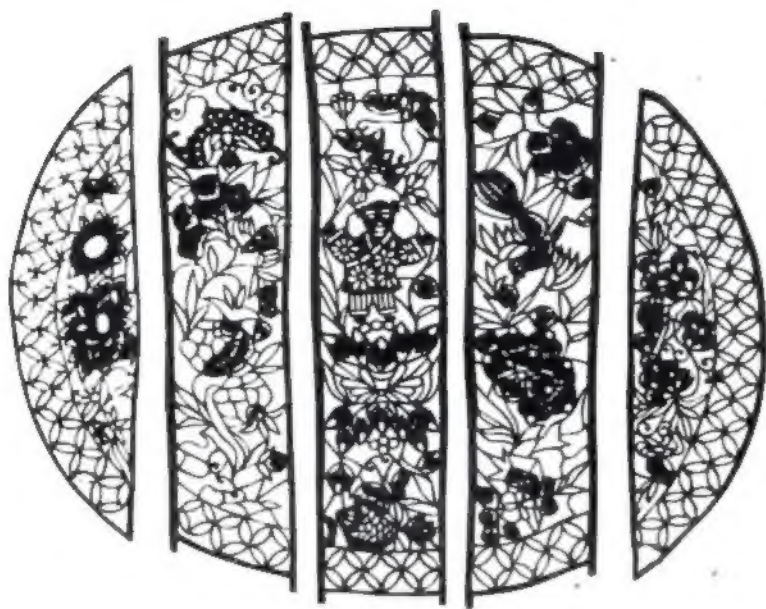
A medical centre in the United States is very impressive, and some of our people come back and say, "The first thing to do in modernizing medicine is to build a medical centre." They want to put one up in Beijing. But my colleagues and I figured out in our discussions

that this is not what we need and we can't deal with it. A modern, American-style medical centre would use up one quarter of Beijing's electricity. Modernization has to be Chinese style.

Today, our biggest medical problem is population control and family planning. Then, we have the parasitic diseases like schistosomiasis and malaria, which still require serious work. They're under control, but they're not eradicated. And we still have a residual problem with leprosy — that's my particular field.

Then, as we catch up with the modern countries, we're going to run into more serious problems with heart disease, cancer and diseases of an old population.

We're aware of all these problems, and are doing what we can. With one billion people, we still have a big job. But I'm sure that if the experiences of my last 50 years in China mean anything, the trend is forward. And I'm confident we're going to make it. □

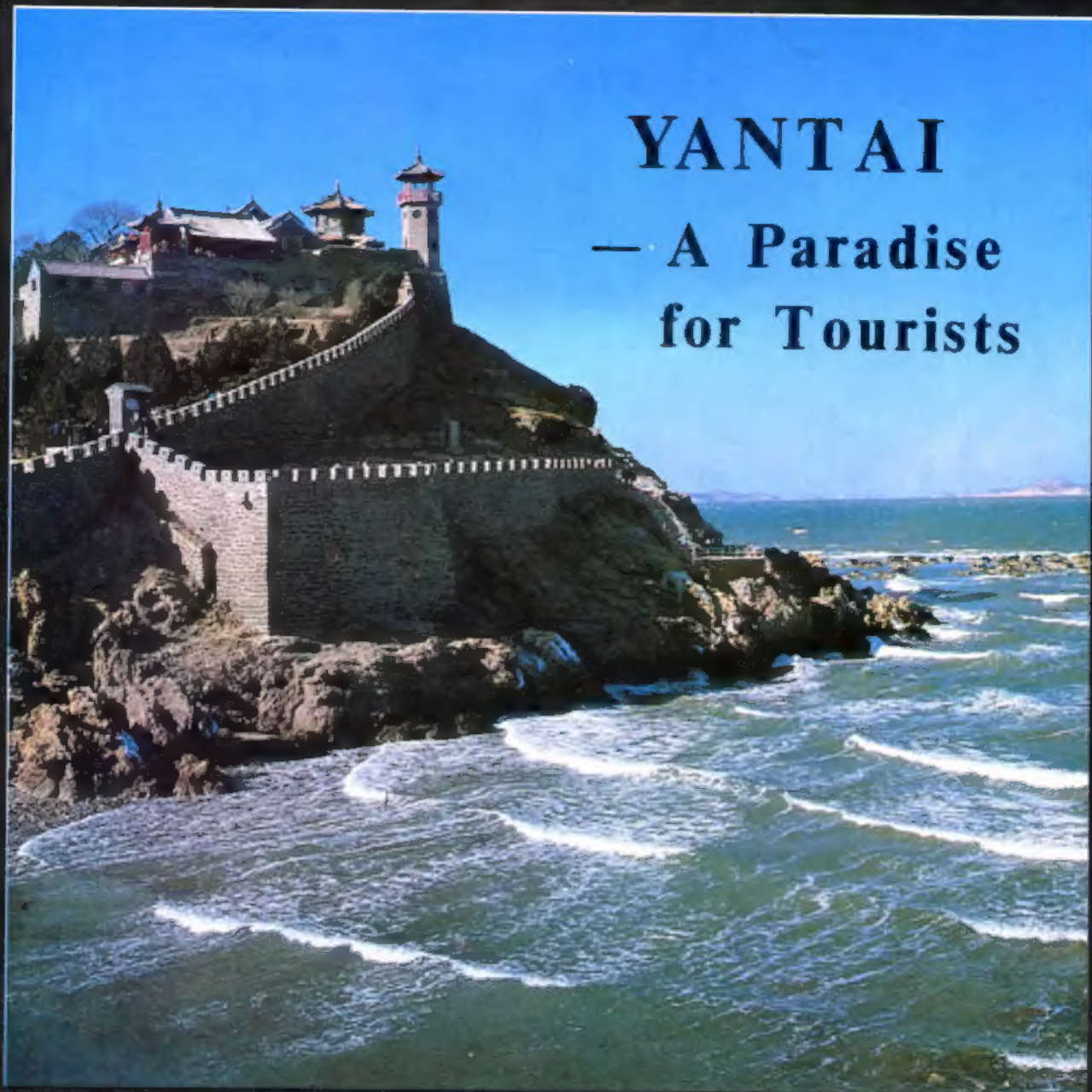


Papercuts From Yantai

These papercuts of animals, flowers and plants were made by artists in the Yantai area, Shandong Province. They are usually used to decorate rooms and objects on New Years and other festivals, or on celebration days.

Over their long history Yantai papercuts have combined the rough outlines and bold strokes popular in northern China with the delicate cutting skills of Jiangsu and Zhejiang. They have evolved a style all their own.





YANTAI

— A Paradise for Tourists

Located on the beautiful Shandong peninsula, the city of Yantai is surrounded on three sides of the Bohai and Yellow Seas. The climate is pleasant, the air fresh and the countryside studded with natural scenic spots and historical sites.

Under a recent State Council decision, Yantai is one of 14 coastal cities to be opened to the world. Its well-equipped hotels provide first-class service and the local people are known for their hospitality. In its restaurants one can taste the time-honoured Shandong cuisine with its emphasis on fish and seafood.

The city, which is easily reached via a well-developed transportation network, is also endowed with abundant natural resources.

For tourists the world over, Yantai is the place to be.

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